

GOVERNMENT RESPONSE

ECONOMICS AND INDUSTRY STANDING COMMITTEE – REPORT 5: A LONG-TERM PARTNERSHIP: DEVELOPING STRONGER TIES WITH INDONESIA

Summary

The Western Australian (WA) Government welcomes the Economics and Industry Standing Committee's *Report No. 5: A long-term partnership: Developing stronger ties with Indonesia – Western Australia's bilateral trade and investment relationship with the Republic of Indonesia*. The 20 recommendations provided are comprehensive and represent a detailed review of the relationship between Indonesia and WA.

The WA Government provides a supported response to 10 of the recommendations and notes 10 recommendations.

The WA Government considers the key findings and recommendations for the WA Government to be consistent with four themes:

1. Prioritising engagement with Indonesia beyond trade and investment to deepen understanding of the opportunities and shared interests between the two jurisdictions.
2. Ensuring the focus of the trade relationship is on Western Australia's priority sectors, with special attention to the complementary strengths of both economies.
3. Extending these principles to the WA-East Java Sister State Relationship, in particular strengthening economic cooperation under the agreement.
4. Improving WA's capability and understanding of Indonesia to strengthen our relationship with our nearest neighbour, including adequate resourcing to ensure Invest and Trade WA can support the WA business community in its engagement with Indonesia, both in-market and at home.

These themes align to the current efforts and priorities of the State Government in the Indonesian market. These activities are informed by the bi-annual *WA Government Indonesia Market Outlook* and *Western Australia Investment and Trade Plan*.

The State Government, through Invest and Trade WA, maintains a close relationship with the Australian Trade and Investment Commission (Austrade) to ensure WA is included in, and represented appropriately in, engagements where the focus aligns with WA Government priorities. The WA Government's representation occurs in formal engagement and visits, and informal collaboration with Austrade and the Department of Foreign Affairs and Trade (DFAT).

The Government has maintained a presence in Indonesia for more than 30 years through the Investment and Trade Office, based in Jakarta since 2003. Engagement with Indonesia will continue to be led by Invest and Trade WA, guided by the priority sector development principles outlined in:

- The Future State: Accelerating Diversify framework.
- The Diversify WA economic development framework.
- The Asian Engagement Strategy to 2030 - Our future with Asia.

The Invest and Trade WA website, launched in January 2021, has increased the accessibility of information on WA for the Indonesian market, and opportunities in Indonesia for WA businesses. The website includes information for investors and buyers of WA goods and services, and profiles the state's key industries including mining and METS; energy; primary industries; defence industries; tourism, events and creative industries; international education; and health and medical life sciences. The website also has links to Market Outlook documents.

The Government currently partners with businesses and groups in WA which are actively engaged with Indonesia, including the Australia Indonesia Business Council: WA Chapter; the Indonesian Chamber of Commerce WA; the Indonesia Institute; the Perth USAsia Centre; the Chamber of Commerce and Industry WA; and Asialink. In addition, the WA Government, through its Jakarta office, has close working relationships with the Australian Embassy in Jakarta and Australian Consulates in Surabaya, Makassar and Denpasar, and the Indonesian Consulate-General in Perth.

The Jakarta office maintains strong relationships at senior levels within government and the private sector in Indonesia and has developed close relationships with industry groups including the Indonesian Chamber of Commerce and Industry (KADIN), the Indonesia Australia Business Council and the Human Resources Development Agency within the Ministry of Energy and Mineral Resources (ESDM).

In October 2022, the State Government hosted Indonesia Connect, an investment and trade event through Invest and Trade WA to strengthen the strategic economic relationship between Indonesia and WA. This event provided an opportunity for more than 270 key government and industry representatives from WA and Indonesia to discuss synergies between key industry players.

This was followed by the Premier, the Hon. Roger Cook MLA, leading the Indonesia Connect Roadshow in September 2023. With a focus on strengthening government and business ties between WA and Indonesia, more than 130 WA business delegates met with Indonesian industry partners in Jakarta, Surabaya and Denpasar, with key events including the ASEAN Business and Investment Summit 2023, and renewal of the Western Australia-East Java Sister State Relationship Agreement.

The Indonesia Connect Roadshow is one element of a broader engagement strategy with Western Australia's nearest neighbour, led by the Investment and Trade Commissioner for ASEAN. This role is based in Jakarta.

Recommendation 1: The state government should prioritise our relationship with Indonesia—our closest neighbour and a country which is predicted to be the fourth largest economy in the world by 2050.

Supported.

Indonesia is a key market under Western Australia’s Asian Engagement Strategy to 2030 – Our future with Asia, which has four key themes:

1. Maximising trade and investment opportunities.
2. Supporting Asia literacy and capability.
3. Enhancing people-to-people links.
4. Supporting business networks and communities.

The Premier-led investment and trade mission to Indonesia in September 2023 exemplified the State Government’s commitment to strengthening Western Australia’s long-term engagement with Indonesia.

The Indonesia Connect Roadshow visited Jakarta, Surabaya and Denpasar, to deepen government and business relationships with Indonesia and promote Western Australia as a recognised and trusted investment and trade partner.

The Western Australian delegation included 130 business, industry, media and government representatives across primary industries, energy transition, international education, tourism, the creative industries and digital economy.

The Indonesia Connect Roadshow was the largest investment and trade mission undertaken by the Western Australian Government to any overseas market. Roadshow outcomes will inform engagement into 2024.

Recommendation 2: That the state government provides greater support for Indonesian language programs and studies in schools and universities, including implementing a long-term strategy to increase the number of teachers of Indonesian language and culture in Western Australian schools.

Noted.

The WA Government has a strong commitment to supporting language programs in its schools. Languages form one of the eight learning areas that schools are required to implement.

The Government supports schools to make locally based decisions on which language best suits their community context.

Since 2018, Indonesian has been the most popular language studied in WA public schools, with 38,969 Kindergarten to Year 12 students studying Indonesian in 2022. The Census data of Semester 2, 2022 reported Indonesian being taught in 205 public schools across Western Australia (152 Kindergarten to Year 6 schools, 53 secondary schools).

To support increased demand for language teachers, the Department of Education developed Leap short courses to qualify participants to teach a language. To date, 51 participants in the primary languages short course trained to become Indonesian teachers, with 12 participants in the lower secondary short course interested in becoming Indonesian teachers. In addition, the Department offers a Graduate Certificate in Indonesian (Years 7-10) through Murdoch University. To date, 19 teachers have completed the course with a further 10 enrolled in the 2023 program.

Recommendation 3: That the state government develop an Indonesian soft diplomacy strategy, exploring additional opportunities in the arts, language, culture, sports, and education.

Noted.

The State Government recognises the importance of building connections and sustaining partnerships with Indonesia that build trust and cultural understanding, beyond the trade and investment relationship.

Under the WA-East Java Sister-State Agreement, Invest and Trade WA is leading the development of an inter-agency action plan to implement cooperation activities. Key areas of soft diplomacy engagement under consideration include:

- Cultural diplomacy through artistic and cultural exchange with a specific focus on Creative Industries.
- Creative Industry Tech exchange, including support for co-production initiatives.
- The promotion of tourism to facilitate cultural exchange and increase understanding between the two regions.
- Education and training, including capability development and youth engagement.
- Sport participation and sport business development activities.

In the area of arts, culture and sports, the Department of Local Government, Sport and Cultural Industries will consider exploring opportunities in support of soft diplomacy outcomes. This will include consideration of:

- Ongoing opportunities for collaboration between Western Australia and Indonesia in a number of priority areas, including:
 - Arts and cultural residencies, exchanges and touring opportunities (including performing arts, writing and literature and visual arts).
 - Creative industries (including digital games, screen production, immersive technologies, contemporary music and fashion).
 - Cultural tourism.
 - Education, including the facilitation of student exchange programs.
- Continuing to support and extend existing sporting agreements between Western Australia and Indonesian partners, such as the National Sports Committee of Indonesia (East Java), to provide sports diplomacy initiatives.
- Continuing to provide financial support to Western Australian sporting organisations under the Asian Engagement Sports Funding Program to enable increased

engagement with Indonesia and promote Western Australia as an offshore base for training and competitions.

Recommendation 4: That the state government facilitate the development of study exchange and internship programs that focus on Western Australia's areas of strength such as engineering, science, medicine and agriculture.

Supported.

The WA Government continues to seek opportunities to attract Indonesian students and develop meaningful study and exchange opportunities that promote WA's world-class international education offering.

Since 2022, the State Government and a Consortia of Western Australian education providers have partnered with the Indonesian Ministry of Education, Culture, Research and Technology's (MoECRT) to deliver the Indonesian International Student Mobility Awards (IISMA) program. This mobility program aims to provide students with an international study experience combined with industry visits and internships. Around 60 students have already undertaken this program in Western Australia.

In June 2021, Western Australia and Indonesia's Human Resources Development Agency of the Ministry of Energy and Mineral Resources (ESDM) signed Memorandum of Understanding (MoU) to explore joint training initiatives. The agreement is the first of its kind between an Australian state government and an Indonesian national ministry under the IA-CEPA agreement with potential commercial outcomes for Western Australian vocational education and training providers.

This MoU led to an agreement between the University of Western Australia (UWA) and ESDM to provide post-graduate study opportunities to build capacity in the energy and mineral resources sectors. The agreement, signed in September 2022, provides 10 Indonesian students with the opportunity to undertake post-graduate studies at UWA over the next five years under ESDM's Net Zero Emission international scholarship program.

The State Government will continue to support the WA-ESDM partnership in order to:

- Leverage Western Australia's expertise and strengths in education and training in the mineral resources and energy sectors, to upskill Indonesia's workforce.
- Leverage the success of this strategic partnership and use it as a model for future partnerships in the region.
- Develop people-to-people links between governments and industries to enhance bilateral trade and investment relationship between Western Australia and Indonesia.
- Support the export-ready local education and training providers to enter the Indonesian market.

The State Government also welcomes study exchange and internship programs like the New Colombo Plan (NCP). The Australian Government's NCP aims to lift knowledge of the Indo-Pacific in Australia by supporting Australian undergraduate students to study and undertake internships in the region. It encourages a two-way flow of students and supports students to study and undertake internships in 40 locations across the Indo-Pacific, including Indonesia.

The State Government is currently engaging with the local international education sector to develop a new Western Australian International Education strategy. The State Government will explore this theme further as part of the development of this Strategy.

Recommendation 5: That the state government investigate education and training facilities and/or programs which could be established with the objective of providing 'job ready' Indonesian emigrants into the labour market.

Supported.

The State Government supports this recommendation and notes its alignment with Recommendation 4. In exploring this opportunity, the State Government will connect with Indonesia's Ministry of Manpower to gain further insights on how Western Australia can collaborate further with Indonesia on vocational training delivery to meet skilled worker demands.

As set out in Future State: Accelerating Diversify WA, workforce development is a key enabler of economic diversification, but is a complex issue. Western Australia currently has a very tight labour market. While this may ease due to forecasted periods of national and global economic contraction, pro-active migration and coordinated skills development strategies are required. The WA Government has in place a substantial body of work to develop the capability of the existing workforce base through education and training, as well as providing a renewed focus on strategies and initiatives to increase labour supply through the active promotion and attraction of priority migrant workers.

- Work in partnership, including with the Commonwealth to promote available pathways to work in Western Australia, including through the IA-CEPA Skills Exchange Program.
- Explore initiatives to support the migration of priority workers to support priority industries in WA, with a focus on the State's priority sectors (re: Future State WA) and current/emerging workforce gaps.
- Identify opportunities to further support the retention of international students in the WA workforce.

Recommendation 6: That the state government build out sector-specific brand campaigns and strategies to promote some of the state's competitive advantages and market opportunities. Examples of areas where this could be done include:

- **The resources sector, in particular technology and services. There are opportunities for Western Australia to partner with Indonesians in the development of the renewable energy and hydrogen industries.**
- **The digital and technology sector, particularly in start-ups and scale-ups.**
- **Technology and research collaboration and knowledge transfer.**
- **Tourism, events and creative industries collaboration.**

Noted.

The Government's engagement with Indonesia is informed by its economic development frameworks Diversify WA and Future State: Accelerating Diversify.

In support of these, the Western Australia Investment and Trade Plan 2022-2024 (the Plan) promotes the diversification of the WA economy through strengthening investment and trade outcomes.

In Indonesia, the Government implements the Plan through the Invest and Trade WA Jakarta Office. There are Business Development Managers with responsibility for the following priority sectors:

- Mining, METS (Mining Equipment, Technology and Services) and Energy, including a focus on renewable energy and renewable energy.
- Creative industries and digital economy.
- Education, including higher research cooperation.

The Director of the Jakarta Office also leads sector engagement in Primary Industries and Health and Medical Life Sciences.

With the Trade Commissioner for ASEAN, officers develop in-market strategies to promote the opportunities highlighted in Future State, including participation in various trade expos, forums, events, inbound and outbound investment and trade missions. Progress and outcomes are reported against the priorities outlined in the Plan on a monthly basis.

In addition, the State Government has been supporting key markets through the global campaign, Western Australia – It's Like No Other. Launched in 2021, with continual optimisation to reflect demand, the campaign is delivered through the existing Department of Jobs, Tourism, Science and Innovation (JTSI).

This global campaign focuses on welcoming visitors, international students, investors and skilled workers from across the world, including Indonesia, to Western Australia. The overarching narrative promotes Western Australia's value proposition, competitive advantages and market opportunities across all key sectors.

Using a variety of communication tactics to strategically position Western Australia as a globally recognised destination, the campaign has been a vehicle to connect with overseas audiences, across paid media, event activations and Ministerial missions. Where relevant, sector-specific focuses are introduced throughout these elements, alongside a suite of in-market collateral maximising opportunities for audience groups in-market.

Recommendation 7: That the state government, through Invest and Trade WA, prosecute a comprehensive social media strategy as part of the wider Indonesian engagement strategy.

Noted.

The Government's offshore social media presence is delivered through the JTSI digital strategy and global campaign activity.

The Department's digital strategy promotes Western Australia's competitive advantages and market opportunities to both a local and global audience. This includes social media as a channel through the Department's accounts across Facebook, Instagram and LinkedIn.

The digital strategy's key goals are to maintain effective communications and support the organisation's values, missions and goals. It sets the tone for digital engagement, ensures our content resonates and meets the needs of those we support, creates a unified and consistent presence and delivers on resource efficiency.

Ministerial mission activity, in particular, drives high levels of engagement and achieves significant reach through the Department's LinkedIn account. A standalone presence for Invest and Trade WA on LinkedIn was recently established to coincide with the September 2023 Indonesia Connect Roadshow trade mission.

This channel will maximise the promotion of Western Australia to its global audiences through content creation and publishing as well as paid media. This will deliver targeted leads and engage with a younger, tech-savvy Indonesian audience.

Content across Department-owned social media platforms, including the Like No Other WA Instagram and Facebook accounts, will provide a connected user journey and maximise reach across Indonesian audiences on these platforms to further establish the Western Australia brand within this market.

Recommendation 8: That the state government establish a dedicated Indonesian trade and investment commissioner based in Jakarta.

Noted.

The Indonesian market is currently serviced by Western Australia's Investment and Trade Commissioner for ASEAN. This role is based in the Invest and Trade WA Jakarta office.

Since 2020, the Invest and Trade WA network has operated on a hub-and-spoke model. This approach was implemented to ensure the Western Australian Government remained flexible and agile in responding to emerging market and industry priorities, either by servicing new markets from an existing office or establishing new hubs and spokes. In line with this approach, the Government regularly reviews its overseas presence.

Recommendation 9: That the state government establish an additional trade and investment office in Surabaya, East Java.

Noted.

Western Australia's Investment and Trade Office in Indonesia has been active since 1992, originally in Surabaya and then relocating to Jakarta in 2003 to consolidate resources and maximise reach across Indonesia.

Since 2020, the Invest and Trade WA network has operated on a hub-and-spoke model. This approach was implemented to ensure the Western Australian Government remained flexible and agile in responding to emerging market and industry priorities, either by servicing new markets from an existing office or establishing new hubs and spokes. In line with this approach, the Government regularly reviews its overseas presence.

Recommendation 10: That the state government develop a Western Australia-East Java working group to:

- **assess the past effectiveness of the sister-state relationship**
- **identify direct and practical objectives to guide the sister-state relationship over the next five years.**

Supported in-principle, through existing activities.

Two working groups have already been developed to support the delivery of the WA-East Java Sister-State Relationship:

- The Western Australia-East Java High-Level Joint Working Group, established in May 2018, provides strategic direction for the activities laid out in the sister-state agreement. It last convened in May 2022, when the then Deputy Premier, the Hon. Roger Cook MLA, met with East Java Vice Governor, Dr Emil Dardak.
- The Western Australia-East Java Local Stakeholder Working Group, where Western Australian stakeholders meet to collaboratively discuss the implementation of initiatives outlined in the sister-state agreement. It last met in March 2023.

Both working groups informed the renewal of the WA-East Java Sister-State Agreement for another five-year period, which was signed in September 2023. The first agreement was signed in 1990 and has been periodically renewed every five years, with a recent postponement due to COVID-19.

The State Government supports the continuation of the two established working groups, drawing on stakeholders from both regions, with the purpose of advancing the sister-state relationship as it moves into implementing the new Sister-State Agreement.

Recommendation 11: That the state government consider the development of a targeted tourism strategy focused on East Java which would include improving aviation connectivity between Western Australia and East Java.

Noted.

Tourism cooperation with East Java, including aviation links, is included in Tourism Western Australia's (TWA) national approach to the Indonesian market. This includes the consideration of opportunities targeted to the most-aligned regions and audiences, including East Java.

TWA's role is primarily as an economic development agency focusing on facilitating the development and promotion of WA as a holiday, event and business convention destination. These functions are achieved by marketing the State as a competitive destination; developing, attracting and marketing major events; and supporting improvements in access and the development of tourism infrastructure.

To achieve this, resources and efforts are focused on the markets which represent the greatest potential. Priority tourism markets are determined by drawing on insights including, but not limited to: past visitation, flight search activity, comfort with long haul travel, consumer confidence, airline capacity and alignment with Tourism Australia and Invest and Trade WA.

In 2015, Indonesia was identified as an emerging growth market for tourism and the appointment of a Tourism Marketing Representative was made. The position was tasked with delivering consumer and trade-related activities to increase awareness and consideration for Western Australia as a holiday destination, through marketing partnerships, PR and trade education activities. This role has been in place since 2015, with activities being delivered either in partnership with Tourism Australia or independently.

TWA has continued to support market recovery and visitor spend growth from the region through Key Distribution Partnerships (KDPs). These partnerships have focused on driving visitation to the state and growing average visitor spend through marketing activities that encourage longer stays and regional dispersal, predominately targeting the High Yielding Traveller (HYT), Free Independent Traveller (FIT), family segment and Muslim travellers.

Through the State Government's Aviation Recovery Fund (ARF), and in partnership with Perth Airport, TWA has supported aviation recovery and capacity growth from Indonesia through airline partnerships. These partnerships have focused on generating new visitor demand through cooperative marketing activity, with targeted marketing activity across Indonesia, including East Java. Via the ARF, 14 weekly non-stop air services from Jakarta to Perth have been secured across three carriers since June 2023. These services currently offer good connectivity to East Java. Further work to identify and secure new routes and access to key regions, including East Java, continues to be progressed in partnership with Perth Airport.

Recommendation 12: That the state government continue to focus on opportunities with East Java in bilateral education and training delivery, with consideration given to funding and support for student and staff mobility programs under the WAEJUC arrangement.

Supported.

Education and training remains a pillar of the WA-East Java Sister-State Relationship, including support for WAEJUC activity.

During the COVID-19 pandemic, virtual mobility programs were delivered. In 2023, the WA Government has provided support for a variety of programs including trade delegations, the first outbound WAEJUC Mobility program and partnering with the Australian Consulate-General in Surabaya to co-host the closing ceremony of WAEJUC East Java Exploration

2023, a student mobility program that involved nine Western Australian students visiting 10 East Java universities over 10 days.

Recommendation 13: The state government should lobby its federal counterparts to ensure that Australia modernise its legislative and policy frameworks to facilitate access into the Indonesian market via e-commerce and QR code payment platforms (and vice versa). This would bring Australia into line with its South East Asian neighbours, providing for future digital economic cooperation.

Noted.

The State Government remains closely engaged with its federal counterparts on opportunities in the digital economy in Indonesia.

In October 2022, the Indonesia Connect conference in Perth highlighted digital opportunities between WA and Indonesia, featuring Austrade's in-market specialist on commercial engagement in Advanced Technology and the Digital Economy in Indonesia as a guest speaker. The discussion covered opportunities and challenges for Western Australian companies in the Indonesian e-commerce market, among other issues.

The Invest and Trade WA Jakarta office also worked closely with Austrade to facilitate a system integrator roundtable in September 2023 for digital economy delegates on the Indonesia Connect Roadshow in Jakarta, along with a roundtable in Surabaya to connect Western Australian companies with key industry figures in East Java.

The State Government continues to follow national activity in this space. Australia's recently launched Southeast Asia Economic Strategy to 2040 has recommended that the Australian Government work with Southeast Asian partners to expand coverage of digital trade rules and standards, and promote interoperability through digital trade rules negotiations, advocacy and capacity building. In addition, it recommends exploring opportunities for the Australian Government to work with Southeast Asian partners in harmonising emerging digital cross-border payment systems.

Given this momentum, the Invest and Trade WA Jakarta Office has a designated Business Development Manager with responsibility for supporting engagement by Western Australian companies in the digital economy in Indonesia.

Recommendation 14: As part of the development of Western Australia’s Indonesia engagement strategy emphasis should be placed on critical minerals and battery supply chain collaboration opportunities. Early successful negotiation of the MoU with KADIN should not lose momentum: the state government should maintain its focus on this important strategic partnership.

Supported.

The MoU between the State and KADIN on critical mineral cooperation signed in February 2023 remains a high priority for the State Government’s engagement with Indonesia.

During the September 2023 Indonesia Connect Roadshow trade mission, the Premier of Western Australia, the Hon. Roger Cook MLA and the Hon. Minister Johnston MLA, Minister for Mines and Petroleum; Energy; Hydrogen Industry, presented at the Inaugural High-Level Dialogue on Cooperation in Critical Minerals, organised by the State Government, through JTSI, and KADIN.

The Dialogue followed the Plan of Action signed during President Widodo’s visit to Australia in July 2023.

During the Dialogue, KADIN welcomed opportunities for collaboration in supply chain cooperation, environmental, social and governance outcomes and skilled workforce development. The next activation under the WA-KADIN MOU will be hosted in Perth, and will focus on WA’s downstream battery mineral processing capabilities.

Recommendation 15: That the state government develop an Indonesian engagement strategy tailored to Indonesia’s unique characteristics.

Noted.

Western Australia’s engagement with Indonesia is guided by existing strategies, detailed in the response to Recommendation 6.

The Indonesia Market Outlook provides information for Western Australian businesses seeking to export to, or seeking investment from, Indonesia. Information includes in-market opportunities, government activity and the support available from Invest and Trade WA.

The Western Australia Investment and Trade Plan 2022-2024 (the Plan) is designed to strengthen investment and trade outcomes and promote the diversification of the WA economy. Implementation of the Plan will ensure the Government can continue to support exporters to diversify into new markets and strengthen partnerships in existing markets, including Indonesia, as well as attract more overseas investment into WA. The Plan identifies Indonesia as a priority market across a number of sectors, with actions that are reported against monthly.

Recommendation 16: That the state government adequately resource Invest and Trade WA so that it is able to properly support businesses engaging with the Indonesian market.

Noted.

In 2023, Invest and Trade WA's Perth Hub was enlarged to support the increased deal flow from our overseas teams, including our Jakarta office, and the Government's focus on green energy project facilitation. The Hub has been restructured into two units:

- International Engagement.
- Investment and Trade Facilitation.

The Perth Hub works in close consultation with our overseas investment and trade office network, including our Jakarta office, to facilitate investment and trade between Western Australia and our key markets.

Since its creation in 2019, the Perth Hub has not only experienced an increase in its workload, its work has also become significantly more complex. These changes are intended to enable the Perth Hub to continue to effectively manage the State's strategic partnerships and flow of investment and trade deals, including those related to Indonesia.

Recommendation 17: In developing its Indonesia engagement strategy, the state government should give careful consideration to how useful, accurate and timely information that is relevant to the Western Australia-Indonesia trade relationship can be more effectively collected and disseminated by Invest and Trade WA.

Supported in principle.

The State Government, through Invest and Trade WA, continues to actively seek out opportunities to engage with the Western Australian business community locally and in-market.

JTSI publishes the following profiles on Western Australia's economy, international trade and major industries:

- The monthly Western Australia Economic Profile.
- The bi-annual Western Australia Trade Profiles.
- Monthly profiles of WA's iron ore, LNG and battery minerals industries (industries that are major contributors to the state's investment and exports).

The bi-annual Western Australia Trade Profiles include detailed information on Western Australia's trade relationship and people-to-people links with Indonesia.

The Indonesia Market Outlook provides information for Western Australian businesses seeking to export to, or seeking investment from, Indonesia. Information includes in-market opportunities, government activity and the support available from Invest and Trade WA.

Recommendation 18: The state government's recent focus on the relationship with Indonesia is welcome and should be maintained. However, a strategy for long-term, sustained engagement is needed. The state government should consult widely with relevant stakeholders to develop such a strategy.

Supported in principle.

Regular consultation and ongoing engagement with exporters and business groups inform the development of the State Government's engagement in Indonesia. This includes regular engagement locally and in market to inform the Invest and Trade Plan and Indonesia Market Outlook. Western Australia's engagement with Indonesia will continue to be informed by this consultation, including with business councils in Indonesia and Western Australia.

Recommendation 19: That the state government consider whether there is capacity to provide more frequent and market-specific workshops, for both West Australian and Indonesian business people, to assist in developing cultural literacy and facilitating business-to-business connections.

Supported.

The State Government, through Invest and Trade WA, has delivered a suite of Asia Business Capability workshops for local small and medium enterprises (SMEs) in support of the Asian Engagement Strategy's commitment to develop an Asia-engaged workforce in WA.

- A first series of workshops was held in November 2020 and featured market presentations on Indonesia, Vietnam, the Philippines and India, from four business councils and four consulates.
- A second series was held in May 2021, with the content designed to equip SMEs with the fundamentals of Asian business cultures and increase their chances of success in Asia.
- A third series was held in October 2021 and focused on Japan, South Korea and Malaysia, with delivery by Asialink Business.

The State Government, through Invest and Trade WA, also organises market briefings for major outbound missions. This included an Indonesia market briefing for all delegates prior to the September 2023 Indonesia Connect Roadshow trade mission.

The briefing included a high-level overview of the WA-Indonesia relationship and advice on Indonesian cultural and business protocols. It also highlighted opportunities for WA companies in the Indonesia market.

The briefing was facilitated by the President of the Indonesia Institute and included individual briefings from industry, the Perth USAsia Centre, the Indonesian Chamber of Commerce Western Australia and the Australia Indonesia Business Council.

The State Government, through Invest and Trade WA, also offers an Event Support Program to support business councils and other organisations to deliver events that strengthen connections between WA and international markets of strategic importance, such as

Indonesia. This can extend to market-specific workshops for Western Australian and Indonesian businesspeople interested in developing cultural literacy and facilitating business-to-business connections (subject to meeting eligibility criteria).

Companies or organisations seeking to enhance their Indonesian cultural literacy can seek assistance from Asialink Business, Australia's National Centre for Asia Capability. Supported by the Australian Government's Department of Industry, Science and Resources, Asialink Business helps equip organisations in all sectors to become Asia ready, by developing critical capabilities, insights and connections, to engage and negotiate the complexities of the region. It provides tailored solutions to help businesses in relation to Asian and Indo-Pacific markets, including Indonesia.

Recommendation 20: That the state government consider adopting an ecosystem incubator model to better develop export-ready businesses for entry into the Indonesian market.

Supported in principle.

The State Government's innovation strategy, *Western Australia: the place to innovate*, has a ten-year vision of establishing Western Australia as a renowned global hub of invention, investment, innovation and impact. This is underpinned by the goal of Western Australia being home to globally-focussed organisations that scale, create new jobs, with ready access to capital and dependable local and global partnerships and supply chains.

Four State Government-initiated Innovation Hubs in the growth sectors of Cyber Security, Data Science, Life Sciences and Creative Tech are playing a pivotal role in brokering offshore opportunities for Western Australian companies. The Invest and Trade WA Jakarta Office will explore opportunities to work more closely with these hubs to support WA business who may be interested in opportunities in Indonesia.

The State Government is actively supporting this goal through initiatives such as the Perth Landing Pad program, which received funding from the New Industries Fund, and Invest and Trade WA. The Perth Landing Pad highlights the importance of Perth as the new technology hub on the Indian Ocean, with strong links to the US, Asia and Europe and positions Perth as a preferred destination for international students from Asia. The State Government's funding will enable 100 entrepreneurs, startups and scaleups to participate in the program.

The New Industries Fund also invests in accelerator programs, such as the Plus Eight accelerator, a seed funded accelerator program that is helping local startups go global. Each program has an overseas mission built into it. Indonesia could be a potential destination in the future.