



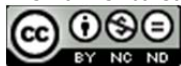
Parliament of Australia

**Parliamentary Delegation
to
Vietnam, Singapore and Indonesia**

7 April to 19 April 2013

© Commonwealth of Australia 2013
ISBN 978-1-74366-103-1

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website:
<http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.

Members of the Delegation

Senator Alex Gallacher
Leader of the Delegation

Mr Harry Jenkins MP

Mr Paul Neville MP

Dr Mal Washer MP

Ms Vikki Darrough
Delegation Secretary

Introduction

The aim of the annual Australian parliamentary delegation visit to ASEAN countries is to better understand developments in ASEAN countries and examine opportunities to broaden links with those countries focusing on:

- economic development, including responses to global economic issues and opportunities to strengthen trade and investment links;
- environment, including policies and initiatives to meet the challenges of climate change; security, including defence cooperation and responses to the threat of terrorism; and
- social development, including community health and education.

This year the delegation visited Vietnam, Singapore and Indonesia. The program in Vietnam focused on social development, education and the impact of the changing environment. Visiting Singapore was largely an opportunity to reaffirm the strong strategic alliance with Australia. In Indonesia, it was a combination of strengthening the relationship and exploring progress in social development in the East Java region.

The delegation was warmly received by each country, from the senior levels of government through to the villagers benefiting from the work of AusAID. There was no doubt that the work that went into preparing for the delegation's visit contributed to the overall success of the trip.

On this note, the delegation wishes to record its appreciation of efforts by: the Department of Foreign Affairs and Trade, Austrade, AusAID and the Parliamentary Library for the comprehensive briefings provided¹; and Australia's diplomatic missions in Vietnam, Singapore and Indonesia for the work that went into developing the programs and supporting the visits.

Parliamentary delegations such as this provide a strong bipartisan mechanism to engage with regional neighbours and support the work of all Australians overseas.

¹ Detailed country information is available on agency websites – www.dfat.gov.au; www.ausaid.gov.au and www.austrade.gov.au. Parliamentary research papers and reports are available at www.aph.gov.au.

Vietnam

The Delegation visited Vietnam (the Mekong Delta, Ho Chi Minh City and Hanoi) from 7 to 11 April 2013 on the first leg of the Australian Parliament's annual ASEAN visit.

Vietnam continues to strengthen its economic standing and trade relationships across the region. As a committed development partner, Australia is working closely with Vietnam to address the interlinked challenges of climate change, food security, disease epidemics and natural disaster management. These are not Vietnam's problems alone; they are also important issues for Australia and the ASEAN region.

The visit program focused on Vietnam's economic and social development, and environmental challenges, in the context of Vietnam's status as a member of ASEAN. The meetings, and site visits in particular, highlighted Australia's involvement and support for Vietnam's development through Australia's aid program, and business and education initiatives.

The delegation appreciated having the opportunity to meet with the ASEAN Ambassadors in Vietnam. This provided an avenue for informal discussions to gain a broader perspective on where Vietnam fits within ASEAN, and to gain a sense of important developments across the ASEAN region.

To gain a view from the private sector, the delegation met with Australian business representatives in Vietnam (ANZ, Interflour, KPMG, and Ernst & Young). This provided the delegation with useful insights into Vietnam's business environment, and its commercial and economic outlook, compared to other ASEAN countries. There was overall positive sentiment about Vietnam's economic prospects, based on its demographic and human capital profile and other resource endowments.

In terms of demography, it was explained that the population is young and literate with all children attending school. Further, there are high expectations of a life better than the previous generation as well as a reluctance to be grouped with other regional low-cost labour providers. There is a need to balance what works economically with the values of the broader population. However, if this cannot be achieved, Vietnam is likely to fall into the 'middle income trap' —manufacturers will move to countries where labour is cheaper and government regulation less onerous.

According to members of the private sector, businesses continue to consider Vietnam a high risk investment destination, and that reforms are needed to increase transparency and predictability, and reduce corruption and provincial competition. It was suggested that public-private partnerships are not achieving anticipated successes due to a lack of coordination and agreement. The example given was provincial competition, whereby provinces are all vying for high value projects such as ports and airports—it is not feasible to have multiple loss-making facilities.

In terms of output it was noted that Vietnam is a significant agricultural producer and exporter. With around 50 per cent of households relying on income from farming, any developments in this area would bring welcome benefits. While Vietnam seeks to become an industrialised nation by 2020, there are still many challenges to overcome to attract and retain foreign investment, including improved infrastructure, surety of operating environment and high quality tertiary education

Australia's Aid Program

AusAID estimates that the total overseas development assistance to Vietnam over 2012-13 was \$140 million. This figure is expected to grow in 2013-14 to almost

\$160 million. The Australia-Vietnam Joint Aid Program Strategy sets out the agreed priorities, with a focus on three key areas: human resource development; economic integration; and environmental sustainability.

The delegation spent a full day in the Mekong Delta visiting Australian aid projects that are helping to address development needs including infrastructure, health and climate change.

Infrastructure

The delegation's first stop in the Delta was the AusAID funded and Australian built My Thuan Bridge. Spanning 1.56 kilometres, the My Thuan Bridge connects Tien Giang province and Vinh Long province, effectively linking Vietnam and Cambodia. The project commenced in 1995, with funding of around \$60 million (two thirds of the total cost) provided by the Australian Government, and when it opened in 2000 was Australia's largest aid project.

This impressive bridge continues to support economic growth throughout the Mekong Delta. In the years since its opening, the bridge has far-exceeded initial estimates for productivity improvements, with over five million vehicles now crossing the bridge each year. What this means in real terms is a quantum reduction in the time taken to transport goods throughout the region – more people are able to access more markets in less time.

The delegation considered the bridge built by Australian company Baulderstone Hornibrook a masterpiece of engineering. In addition to the spectacular design, the bridge also appeared well-considered, with the addition of a side path for pedestrians and bicycles. While walking over the bridge it was clear that many Vietnamese were taking advantage of the pedestrian/cycle path to carry out their daily business.

Health

A visit to the Fred Hollows Foundation Eye Clinic in Vinh Long City drew attention to a public health challenge common to ASEAN countries, and provided a working example of Australia's long-standing contribution in this area. Operating in partnership with the Vietnamese Government, the Fred Hollows Foundation has assisted with training and support for doctors across Vietnam, particularly in performing modern cataract surgery. The foundation is also increasingly providing services to children to help address the causes of low vision and refractive error.

The Vinh Long City clinic has a 20 bed hospital for cataract surgery, along with facilities that provide services including initial eye care, glaucoma treatment and supply of reading glasses. The clinic also operates a mobile facility, with staff travelling throughout the region providing eye care, education and initial assessment. Patients in need may then be referred to the main clinic for further treatment.

On the day of our visit, there were 12 patients scheduled for surgery. Taking the time to speak with family members in the waiting room, the value families placed on the service was clear. There was the daughter who had brought her 93 year old mother, travelling part of the two hour journey on a motor bike service, and the son who accompanied his 83 year old father on a public bus from their village 50 kilometres away. While the patients will stay overnight in the hospital, the family members will sleep wherever they can—the waiting room chair or a hammock at a café along the roadside.

The cost of the surgery is \$45 including the lens. Lenses are sourced from Nepal at a cost of \$5 each, leaving \$40 for the payment of salaries and operation costs of the clinic. While seemingly a small cost, in this developing country, every dollars counts. There is simply not enough money or service to go around. There is no lack of

motivation by the staff of the clinic, just a lack of resources.

While very grateful for the funding provided by Australia to construct the clinic and establish the mobile service, it was made clear that more money would go a long way in offering yet more people a better life. With vision comes independence, an ability to make an economic contribution and, in the case of those we met, perhaps a chance to see great grandchildren for the first time.

Environment

The next destination was a site visit to an Australian Centre for Agricultural Research (ACIAR) funded project at the Cuu Long Delta Rice Research Institute near Can Tho City.

As one of the top three rice producers, the importance of Vietnam being able to meet the ever increasing demand for rice in the face of a changing environment is a major challenge. Vietnam's rice production provides economic benefits through export, and food security, which is an important component of broader regional stability. While Vietnam has production advantages, climate change is a rapidly emerging issue.

In 2011, ACAIR provided funding for a new multi-year project—*Climate Change Affecting Land Use in the Mekong Delta: Adaptation of Rice-based Cropping Systems*, led by the International Rice Research Institute. In Vietnam, the Can Tho University has taken the lead, working with both Australian and Vietnamese partners including the Commonwealth Scientific and Research Organization and the Cuu Long Rice Research Institute.

The Rice Research Institute is currently undertaking on-station trials to develop rice strains that are able to withstand increasing climate variability and salinity in the lower Mekong Delta region. In providing a briefing to the delegation, the

Institute advised that there were six key themes of the project:

1. Hydrological modelling to assess location-specific impact and vulnerability.
2. Improvement of rice germplasm for higher tolerance to stagnant flooding, salinity stress and submergence resilience.
3. Natural resource management, including options for crop rotation for resilient rice-based systems coping with rapidly changing environments.
4. Analysis of farming systems and socioeconomic settings in rice farming households.
5. Evaluation of land adaptive capacity and development of a land use plan.
6. Capacity building for assessing greenhouse gas emissions.

Following the briefing, the delegation toured the Institute's grounds seeing firsthand the extensive work being undertaken both in the field and in the controlled greenhouse environments. While touring the site, the delegation was advised that each year it seems that the weather becomes more difficult, with droughts now a recurring feature. Rising sea levels and salinity were raised as areas of particular concern. As was the pressure to increase production, with farmers increasingly running three crop cycles per year, leading to concerns over soil sustainability.

During the tour, the Institute confirmed that all seed being developed was self-seeding. This is particularly important to ensure that farmers are able to collect seeds for the next season rather than having to outlay money to buy new seeds.

The Institute put forward a compelling case for the importance of continuing the work being undertaken to mitigate the effects of climate change. The Institute noted the importance of scientific collaboration and its appreciation of the support received to

date. However, it was also suggested that with further funding the Institute could expand beyond its current research to work on other issues such as harvest and transport methods and focus on farmer education to improve the final product.

The rice production story for Vietnam is compelling and no doubt at a crossroad. While gains in quality and quantity could be made through scaling up agriculture from the current micro-farming model, questions about the social effects would need to be addressed. Australia, through programs such as that funded by ACAIR, can continue to provide support for a successful transition to modern farming practices.

Education

Australia's involvement in education in Vietnam ranges from AusAID funded schools helping address gaps in areas such as special needs education, through to an Australian university establishing a world-class campus.

Special needs

The delegation's first stop in Ho Chi Minh City was the AusAID funded Loreto Special School in Ho Chi Minh City for children with intellectual disabilities. The Loreto Vietnam Australia Program's involvement in building, equipping and supporting schools, including the Sunrise Special School One, is a fine example of what can be done through successful partnership between governments and not-for-profit organisations. Interacting with the students demonstrated just how much initiatives such as these can help at the grass roots level and give these children a future filled with hope.

Tertiary

At the other end of the education spectrum, the delegation visited an Australian institution entering the competitive tertiary education sector. As the inaugural fully foreign owned university in Vietnam, RMIT is demonstrating how in-

country education can support the development of bilateral relations and provide a viable alternative to studying abroad.

RMIT has worked to provide facilities in Ho Chi Minh City that are truly representative of a well-rounded Australian education. The campus consists of academic and residential buildings, a large recreational and events complex, sports facilities and general services, all set on large open green space.

In deciding which programs to offer, RMIT advised that careful attention was given to finding the balance between addressing student (and parent) demands and meeting the needs of the Vietnamese economy. Currently, RMIT offers programs in English, business, management, communication, design technology and engineering. All degrees carry the full status of an RMIT graduate and do not indicate the campus of study.

For engineering students, they also have the option of progressing on a course of study that will lead to accreditation with Engineering Australia, giving recognition of qualification in 27 countries. RMIT's focus on engineering is seeking to assist in meeting the Vietnamese Government's intention to build greater capacity in Vietnam's engineering workforce to meet the growing demand for national infrastructure.

The Government has noted an oversupply of graduates in the disciplines of finance and economics, and skill shortages in technology as well as food and health sciences. RMIT continues to look for opportunities to expand in to areas where it already has expertise in Australia, which can be transferred to the Vietnamese campus.

RMIT is taking an active role in improving access to quality education in Vietnam, and ultimately increasing the competitiveness

of graduates - something which is becoming ever more important in light of the plans to increase mobility of skilled labour across ASEAN countries beginning in 2015.

In addition to matching demand, the University has set up a number of internships and other integrated experiences to facilitate jobs for graduates. The University advised that over 90 per cent of graduates get a job within three months and generally at a higher salary than graduates from other institutions in Vietnam.

This all comes at a cost. RMIT Vietnam is the most expensive university option in Vietnam. It is self-funding with profits returned to improve facilities and extend academic options. However, RMIT Vietnam does have 600 scholarship students who have been selected on the basis of academic achievement. RMIT Vietnam advised that work is underway to move the perception that the university is a school for the rich and to expand the scholarship program.

From an Australian perspective, the development of a campus such as RMIT Ho Chi Minh City paves the way for increased opportunities for Australian students. As Australia positions itself to embrace the Asian Century, we encourage RMIT to further promote opportunities for Australian students to study at RMIT Vietnam. The youth of Australia developing a sound understanding of our ASEAN neighbours will ensure that we remain competitive in the region.

Science education initiative

The delegation began the Hanoi leg by participating in the official opening of the Questacon Science Exhibition at the Hanoi University of Science and Technology. This event was part of the public diplomacy program celebrating 40 years of diplomatic relations between Australia and Vietnam. It was also another opportunity for Australia

to strengthen relations in the education sector. Australian sponsors in attendance included representatives from RMIT, ANZ and the University of Queensland.

Opening the exhibition, the Australian Ambassador explained that Questacon would also visit Danang and Ho Chi Minh City, with an expected 2000 school children to attend the various shows. In addition, Questacon presenters would deliver special mimed shows for hearing impaired children, and expand the ongoing benefit by providing workshops for science teachers.

In speaking at the opening, the delegation leader reminded the students present of the importance of science in our daily lives and encouraged them to consider it as a future field of study. Professor Graham Durant AM, Director of Questacon, summed up the contribution of Questacon's low cost touring exhibits as follows:

I hear I forget

I see I remember

I do I understand

In addition to the official component, the delegation had the chance to interact with high school students who had been invited to the opening. It was a hive of activity as the students explored the various exhibits, readily engaging with the Questacon team and visiting dignitaries.

This event was also an opportunity to hear from Professor Alan Lawson, University of Queensland Pro-Vice Chancellor (Research and International), about the University's Vietnam connection. He estimated that there were over a thousand Vietnamese alumni, and currently around 300 students on-campus in Queensland. Professor Lawson noted that they are working with local institutions on a range of short courses, including for the Vietnamese Government. An interesting aside was the Professor's advice that over time the university has noted an increase in the

in-bound tourism generated by families coming to see students during their time in Australia and particularly at graduation.

Defence education initiative

In another Australian education initiative, the Australian Defence Force has a Defence Cooperation Program with Vietnam at the Defence English language training facility (Unit 871). The stated purpose of the training is to prepare Vietnamese officers for eventual international peace-keeping duties. According to Australian officers, the commitment of students is being demonstrated by the number of outstanding achievement awards being received as they work toward mastering the English language. In addition to on-site learning, 12 officers are awarded full scholarships to continue studying in Australia.

During the site visit, the Commanding Officer expressed that cooperation in language teaching has been very fruitful and is highly appreciated by the Vietnamese Ministry of Defence. Responding to his encouragement of further cooperation, the delegation suggested that there may be benefit in an exchange program whereby Australian defence personnel could learn Vietnamese.

The bilateral relationship

The Vietnam visit was rounded off with the delegation meeting the Vietnamese National Assembly's Foreign Affairs Committee, and attending a subsequent dinner hosted by the Committee along with members of the Vietnam-Australia Friendship Group.

At a parliamentary level, the delegation was very interested in the efforts being made to increase government accountability both through increased scrutiny of new spending proposals, and the system of asking senior members, including the Prime Minister, to submit to votes of confidence regarding their performance.

Beyond the workings of parliament, discussions covered a broad range of areas including

- Australia's role in human resource development in Vietnam through the scholarship program
- the large numbers of Vietnamese studying privately in Australia; and
- Vietnam's vast unfulfilled infrastructure needs and possible options for funding from sources outside the government.

Like Australia, Vietnam recognises the benefit of extensive high-speed rail networks but is restrained by the high costs. Instead, it is concentrating on improving major roads along the North-South route.

The delegation was very pleased with the warm welcome received by Vietnam Government officials. It was clear that Australia is held in high regard. The delegation also found that quite a number of people it met had studied abroad, including in Australia. This certainly went to enhancing dialogue and strengthening the people-to-people relationships between Australia and Vietnam.

Singapore

The delegation visited Singapore from 11-14 April 2013. The visit reinforced Australia's comprehensive engagement with this key ASEAN partner and important economic hub. In addition to giving a sense of the depth of Australian engagement in Singapore, the visit provided an overview of the political and business landscape, the labour market, and the contrasting elements of Singapore's democracy.

Singapore continues to be at the forefront as a developed country continually working to improve the lives of its people. However, it is not without its challenges – most notably an increasing population and limited environmental resources meaning a lack of room to grow.

During the visit the delegation met with a broad range of Singaporean parliamentarians, officials, academics and business people. Formal discussions covered a diverse range of topics including Singapore's place in the region; the changing political culture; infrastructure developments and challenges; and Singapore's sustainability initiatives. Further informal discussions on these matters, as well as business challenges and opportunities, took place at a function hosted by the Australian High Commissioner in Singapore.

The bilateral relationship

Australia's bilateral relationship with Singapore remains strong, with links through education, trade, tourism, defence and the parliaments. Like Australia, Singapore has a strong regional focus and is an active participant in forums aimed at further developing the ASEAN region. Both countries also face similar challenges, though derived through different circumstances, in terms of social development and environmental sustainability. These recurring themes were discussed at meetings with a number of Singaporean parliamentarians.

The delegation's first meeting in Singapore with Ms Grace Fu, Second Minister for Foreign Affairs and Second Minister for the Environment, reinforced the close relationship with Australia.

In terms of Ms Fu's environmental portfolio, discussion turned to the climate and water management strategies being used in Australia and Singapore. While Australia seeks to harness its own water supply for maximum community benefit, Singapore's motivation for water management is primarily a matter of strategic importance.

Singapore's water supply comprises local catchment water, imported water, highly-purified reclaimed water, and desalinated water. Ms Fu explained that over the last few decades Singapore has been focused on alternate water supplies to develop water self-sufficiency. Ms Fu estimated that currently Singapore independently meets 50 per cent of its water demand, but that there is room to grow this significantly through water recycling and other technology to achieve full independence should it need to do so.

Pressures on the environment are also being felt through population growth. Like Australia, Singapore is striving to balance economic growth with demands on social structures. In addition to the pressures on infrastructure such as transport and housing, Singapore has the added complication of very limited land supply. According to Ms Fu, increasing numbers of immigrants over the last few years has resulted in increasing perceptions of crowding.

Ms Fu indicated that the recent strengthening of the Opposition in Singapore has meant that the Government has focused on increased public consultation to progress the narrative of Singapore—how the people would like to

see Singapore develop, how to keep the economy growing while addressing immigration and crowding.

The meeting with the Speaker of the Parliament of Singapore, Madam Halimah Yacob, gave further opportunity to discuss the impact of the emerging Opposition in the Singapore Parliament, as well as the pressures in the labour market in Singapore. Madam Halimah noted that the biggest challenge for Singapore at the moment is the widening income gap, suggesting that it is time to talk openly about the influx and role of low skilled workers. Madam Halimah suggested that Singapore should focus on tripartite labour arrangements, under which government, business and unions work collaboratively to resolve labour disputes. While noting that every country has its own needs and context, Madam Halimah stressed that all workers need basic protections.

While having been able to maintain some involvement in labour and social issues since assuming the Speaker's chair, Madam Halimah's primary role is presiding over the sittings of the House, remaining impartial and fair to all members of parliament. With a small but emerging Opposition, Madam Halimah explained that generally the House is quite restrained. However, she must manage perceptions of fairness in the amount of time allocated to each side, and despite the general civility, if questions are not answered satisfactorily during question time, discussion can become quite robust.

Discussions during the meeting with the Singapore-Australia Parliamentary Friendship Group provided further insight into the role of the parliamentarian in Singapore, particularly in relation to the ability to maintain a professional career while being a member of parliament. This was described as beneficial as it allows members to maintain a connection with their profession. This connection means members of parliament continue to understand professional demands outside

the public sector, and ultimately means better representation of the needs of the people. However, it was also noted that there has been a shift to a more political landscape and that this may mean that candidates need to have more focused political acumen. It may also change the demands of members' offices.

Currently, most of the offices are run by one or two staff, with all other help coming from volunteers. These volunteers represent the grassroots nature of the party, with Singaporeans inculcated with the notion that volunteering is an important connection with society. These volunteers are pivotal for facilitating community engagement and helping people raise concerns with their local member. While there are mechanisms in place to facilitate recruitment, it was also noted that there is difficulty translating this beyond entry level involvement in politics.

In an opportunity to see a different and more grassroots side of Singapore, the delegation attended a Meet the People Session. Meet the People Sessions are a unique feature of Singapore's system with every member of parliament, including Prime Minister Lee and his Cabinet, holding weekly sessions at which the members of their electorate are able to raise personal, policy or community-related issues.

The MP's response may include providing assistance, giving advice or vouchers. The vouchers are donated by local businesses and may cover household utility bills or food and other staples. Alternatively, the MP may prepare a letter on behalf of the resident to related government ministries or statutory boards for appeal. These sessions, often attended by well over a hundred constituents, are organised and run entirely by volunteers who perform a triage-like service.

The session attended on this visit was hosted by Dr Chia Shi-Lu MP in his

constituency of Tanjong Pagar in one of Singapore's oldest public housing blocks. Many Singaporeans in attendance were of lower socioeconomic backgrounds, and while there were quite a number of older Singaporeans, there were also those with young families struggling to make ends meet. The volunteers worked tirelessly alongside Dr Chia providing a compassionate response to the many problems faced by those living beneath Singapore's glossy veneer.

Beyond parliament

Transport and infrastructure

Singapore has long been renowned as a leader in transport and infrastructure. As discussed with Ms Fu at an earlier meeting, Singapore continues to look for opportunities to remain competitive, for example the recent announcement regarding investment in a high speed rail link between Singapore and Kuala Lumpur with economic benefits anticipated for both countries. Links such as these are what makes Singapore an attractive option for companies such as global logistics provider, Toll.

In a site visit to the Toll Offshore Facility, the delegation was provided with an example of an Australian company successfully capitalising on the enormous commercial opportunities presented by the South East Asian region.

Toll described its key competitive feature as having its own people and facilities, with 15,000 employees across 300 locations worldwide—*local people, local knowledge*. However, Toll explained that across the region it often found itself working at a disadvantage due to its staunch support and adherence to international anticorruption agreements. To address this, Toll focuses on being a highly innovative organisation.

Toll's Singapore facility operates as its logistics hub with its services including:

parcel and courier delivery services to more than 220 countries and territories for documents and parcels; multimodal freight forwarding; dangerous goods management and training; supply chain management; third party logistics; inventory management; warehousing; fleet services; offshore logistics to support oil and gas production and exploration activities; and marine logistics services that connect Singapore to the rest of the Asia-Pacific.

In addition, most of the IT development and other research and development efforts take place in Singapore. Toll explained that technology innovation is yet another way it maintains its position in what it described as a price driven market.

In another innovative decision, to address the critical land shortage in Singapore Toll has built an impressive vertical warehouse. While at first glance, the warehouse looks little more than a regular high-rise, on closer inspection the scale of the building becomes evident. Full size trucks are able to travel easily up and down the multi-storey facility.

Environmental sustainability and infrastructure

While a garden may not typically be thought of as infrastructure, in Singapore parks are a fundamental component of its liveable city infrastructure. The parks are being developed to fill the role as both community facilities and environmental sustainability projects.

The delegation's tour of one of Singapore's newest additions—the Gardens by the Bay—provided an excellent example of Singapore's long term planning on environmental sustainability and utilisation of the latest technology. This technology includes:

- conservatories with a suite of technologies to minimise solar heat gain through sensor-operated retractable sails, thermal stratification, dehumidification and generating

energy on-site and harnessing waste heat; and

- supertrees, which are vertical gardens embedded with cells to harvest solar energy for lighting or serving as air exhaust receptacles.

Again, the focus is on making the most of the scarce land resources by building up as well as out onto reclaimed land. This park is yet another facility contributing to Singapore's reputation as one of the Asia's most liveable cities.

Indonesia

The final leg of the delegation's trip was a visit to Indonesia from 14 – 18 April 2013.

Indonesia is continuing on a trajectory of economic strength and developing strong bilateral relationships across the region. While the country heads toward becoming a regional powerhouse, Indonesia still faces many challenges of a developing country. On top of this, Indonesia lies in a disaster-prone area, with each major incident having significant economic and human consequences.

As an important neighbour and partner, Australia continues work closely with Indonesia on various programs to assist in poverty reduction, supply of water and sanitation facilities, health and education initiatives, as well as disaster preparedness.

The bilateral relationship

The delegation's primary focus in Jakarta was reinforcing the strong ties between the Australian and Indonesian parliaments.

Meeting with Vice President Boediono, the delegation heard that he considered government-to-government relationships were strong but encouraged further efforts to increase people-to-people links. The Vice President noted that many Indonesians study in Australia, but that there was room to grow reciprocal study arrangements and encourage more Australians to consider studying at Indonesian universities.

Vice President Boediono noted the strong bilateral relationship, including through trade agreements. However, he suggested that there were still many opportunities to develop closer economic ties, more reflective of our strong relationship and geographical proximity.

The delegation also met with both the Speaker of the People's Consultative Assembly and the Deputy Speaker of the People's Representative Council, along with

representatives from the Australia-Indonesia Parliamentary Friendship Group. It was evident that continuing connections have been developed through our parliaments and underlie the strengthening relationship. Regular dialogues such as these have provided a forum to raise emerging issues, discuss possible options to continue to grow the Indonesia-Australia relationship, and aid the understanding of the challenges each of our countries face.

On a positive front, the meetings canvassed options to grow our relationship through our youth by expanding opportunities for sports, education and cultural exchange. However, a recurring theme was concern about the increasing costs of sending Indonesian students to Australia to undertake tertiary study and the limitations of the existing visas available for students and their families.

In addition to meetings with officials, the delegation had the opportunity to have a frank and informative meeting with local media commentators. Discussions were informal, but canvassed upcoming elections in both Indonesia and Australia, and freedom of the press.

In terms of the upcoming presidential elections in Indonesia there was no clear view or consensus from the media commentators on the potential outcome, but it was agreed it will be an interesting year ahead for both countries.

Overall, it appeared that the Indonesian media is a vibrant group embracing emerging technologies as they report freely and fairly on topical issues both within Indonesia and abroad.

Beyond parliament

Historical remembrance

There is a long history between Australia and Indonesia, and in respect of this enduring bilateral relationship the

delegation was honoured to visit the Jakarta War Cemetery where approximately 1000 Commonwealth soldiers have been laid to rest. These soldiers died in defence of Java and Sumatra during the Japanese occupation on the Dutch East Indies from 1942-45. A small wreath laying ceremony was led by the Australian Assistant Defence Attaché. Delegation members then took time to view the graves, observing that a number were from their local communities.

Disaster preparedness

As noted above, a particular challenge for Indonesia is its prevalence of natural disasters, some as a result of its location on the 'ring of fire', and others stemming from lack of infrastructure to cope with the urbanisation of areas susceptible to flooding. While in Jakarta the Delegation visited the Australia-Indonesia Facility for Disaster Reduction. This joint initiative between our two governments has seen the establishment of a centre that uses science and research to better identify areas most at risk of natural disaster. The information is then used to help preparedness, for example through dissemination of advice on how to build safer houses, and in support of Indonesia's stand-by Disaster Rapid Response and Assistance Force to rapidly deploy into disaster areas.

Regional development – East Java

Going beyond the capital, the delegation visited Indonesia's second biggest city, Surabaya. As the main sea and commercial port in East Java, the city it is an important trade link for the region. However, East Java more generally faces many challenges with a large portion of the population still living in poverty. While in Surabaya, the delegation met with both the Governor of East Java and the Mayor of Surabaya to discuss the challenges in the region and the ongoing benefits being realised through the relationship between Australia and East Java.

The discussion with Dr Soekarwo, Governor of East Java, focused on ways that Australia could work with East Java to increase trade, support agriculture and promote cultural exchange through education opportunities. The delegation asked the Governor for his views on developing an Australian university campus similar to the RMIT campus operating in Vietnam. The Governor suggested that it is more productive to develop cooperative programs and credit recognition between partner universities in Australia and Indonesia. He felt that there were greater educational and cultural exchange benefits to be achieved by encouraging students to study in both countries.

The Governor was particularly supportive of the ongoing relationship with Australia, including through the sister state arrangement with Western Australia. He noted that there is a secondary school arrangement whereby students from an Islamic boarding school visit Western Australia. As with earlier discussions in Jakarta, it was agreed by all that people-to-people relationships are fundamental building blocks of any ongoing relationships and education is a strong means of developing these.

While in Surabaya, the delegation met with Indonesians in East Java who have benefited from 'Australia Awards Scholarships'. Many of those that attended the afternoon tea were academics themselves and saw their role as a conduit of the knowledge they had gained in Australia. To date, 568 people from East Java have been awarded with the scholarships to build the skills of the workforce in the province and create strong links between Australian and Indonesian people.

Meeting with Ms Tri Rismaharini, Mayor of Surabaya, gave the delegation further insight on the progress and challenges faced in Surabaya, and most notably the work the Mayor has done to lift the

fortunes of those most in need and to shift the city onto a more environmentally sustainable footing. The delegation also had the pleasure of inviting the Mayor to visit Australia, encouraging her to share her knowledge and experience in developing sustainable cities.

Australia's aid program - Water and sanitation

An AusAID briefing informed the delegation that of the five provinces identified as areas of critical need, four are in the east, the fifth being Aceh in the west. Basic necessities such as water and sanitation are still lacking with only about 50 per cent of households having access to piped water and sewerage. This is an area that Australia is making a tangible contribution through the Water and Sanitation Hibah (grant program). The program aims to expand access to water supply and sanitation services, introduce reforms to promote sustainable water and sanitation service delivery, and increase aid effectiveness through joint investment in water and sanitation infrastructure.

Following the success of the first phase in 2010-11, phase two started in 2012 with \$85 million allocated out to 2014-15. Phase one supported the connection of some 77,000 water connections and 5,000 sewerage connections. In phase two, AusAID expects to make a further 259,000 house connections in 125 local government areas. AusAID highlighted the results of an independent review which found significant benefits were being realised, particularly for women, the elderly and the disabled.

The water and sanitation program is an important part of Australia's collaboration with Indonesia to help achieve the Millennium Development Goals of halving the proportion of Indonesians without sustainable access to safe drinking water and basic sanitation. To witness the current program's benefits firsthand, the delegation visited a village in Sidoarjo, East Java, where AusAID has helped connect

many homes in the area to water and sanitation facilities. The delegation saw water connections in action, meeting with families who now have clean water connections in their homes.

According to AusAID, Australia has invested \$1,378 million in Indonesia over the previous three years. The AusAID projects in East Java exemplify the many initiatives underway in partnership with the Indonesian Government that aim to improve health and education, and protect the most vulnerable.

Senator Alex Gallacher
Delegation Leader
June 2013

VISIT PROGRAM

VIETNAM

SUNDAY 7 APRIL 2013

Delegation arrives in Ho Chi Minh—Briefing with Mr Hugh Borrowman, Ambassador to Vietnam and Mr John McAnulty, Consul-General in Ho Chi Minh City, Vietnam

MONDAY 8 APRIL

Regional visit to Mekong Delta

My Thuan Bridge, Tien Giang province

Fred Hollows Foundation Eye Clinic, Vinh Long City

ACIAR-funded project at That Not, Can Tho Province

TUESDAY 9 APRIL 2013

Ho Chi Minh City

Visit to Loreto Sunrise Special School for children with disabilities

Visit RMIT International University Ho Chi Minh City

Lunch with Australian business representatives

- Mr James Kirton, Business Development Manager, Interflour
- Mr Vinayak Herur, Head of Institutional Banking, ANZ Bank
- Mr John Ditty, Chairman, Vietnam and Cambodia, KPMG
- Mr Chris Butler, Managing Partner, Ernst and Young

Depart Ho Chi Minh City/ Arrive Hanoi

WEDNESDAY 10 APRIL 2013

Attend Official Opening of Questacon Science Exhibition, Hanoi University of Science and Technology

Embassy roundtable briefing

Lunch with ASEAN Ambassadors hosted by Australian Ambassador

- HE Mr Dato Mahadi Wasli, Brunei
- HE Mr Mayerfas, Indonesia
- HE Mr Azmil Zabidi, Malaysia
- HE Mr Thet Oo, Myanmar
- HE Mr Jerril G.Santos, Philippines
- HE Mr Anuson Chinvanno, Thailand
- HE Mr Ng Teck Hean, Singapore
- Mr Alistair Crozier, Deputy Head of Mission, New Zealand

Visit to Defence English language training facility – Unit 871

- Senior Colonel Nguyen Văn Trong, Commanding officer
- Colonel Nguyen Huu Thang, Second in Command
- Senior Colonel Tran Van Hien, Commissar
- Lieutenant Colonel Nguyen Quang Hung, Head of Foreign Relations

Meeting with Foreign Affairs Committee of the National Assembly

- Mr Tran Van Hang, Chairman, Foreign Affairs Committee
- Mr Nguyen Manh Tien, Vice Chair, Foreign Affairs Committee
- Mr Pham Hoang Hai, Deputy Director General, Foreign Affairs Department
- Mr Vu Van Minh, Deputy Director General, Southeast Asia, South Asia and South Pacific Department, Ministry of Foreign Affairs
- Ms Ton Thi Ngoc Huong, Deputy Director General, ASEAN Department, Ministry of Foreign Affairs
- Representatives from bilateral and multi-lateral sections, Department of Foreign Affairs, National Assembly

Dinner with National Assembly Foreign Affairs Committee/ Vietnam-Australia Friendship Group

- Mr Tran Van Hang, Chairman, Foreign Affairs Committee
- Mr K'sor Phuoc, Chairman of Ethnic Minority Committee, Head of the Australia-Vietnam Parliamentary Friendship Group
- Mr Nguyen Manh Tien, Vice Chair, Foreign Affairs Committee
- Ms Nguyen Thi Kha, Vice Chair, Social Affairs Committee, member of the Australia-Vietnam Parliamentary Friendship Group
- Mr Pham Hoang Hai, Deputy Director General, Foreign Affairs Department
- Mr Vu Van Minh, Deputy Director General, Southeast Asia, South Asia and South Pacific Department, Ministry of Foreign Affairs
- Representatives from bilateral and multi-lateral sections, Department of Foreign Affairs, National Assembly

THURSDAY 11 APRIL 2013

Depart Vietnam/ Arrive Singapore

SINGAPORE

THURSDAY 11 APRIL 2013

High Commission Briefing

- Mr Phillip Green, High Commissioner to Singapore
- Major Mic Doyle Assistant Defence Adviser Australian High Commission
- Mr Chris Rees Senior Trade Commissioner Austrade
- Ms Jennifer Burdick, Third Secretary

Meeting with Ms Grace Fu, minister, Prime Minister's Office, Second Minister for the Environment and Water Resources and Second Minister for Foreign Affairs

Other participants from the Ministry of Foreign Affairs:

- Mr Sudesh Maniar, Director General, Australia, New Zealand and Pacific Directorate
- Mr Ang Wenting, Country Officer (Australia)

Dinner with members of the Singaporean community hosted by the High Commissioner

- Dr Lim Wee Kiak MP Chair Parliamentary Committee for Foreign Affairs and Defence
- Ms Sylvia Lim MP Chairman Workers' Party
- Mr Ang Wei Neng Deputy Chair Singapore-Australia MP Parliamentary Friendship Group
- Mr Sudesh Maniar Director-General, Australia, New Zealand and Pacific Directorate Ministry of Foreign Affairs
- Mr Augustine Anthuvan Editor, International Desk Channel News Asia
- Mr Graham Lee President Austcham
- Ms Annette Tilbrook Executive Director Austcham
- Ms Belinda Braggs Vice President Austcham
- Mr Sudesh Maniar Director -General, Australia, New Zealand and Pacific Directorate MFA,
- Mr Augustine Anthuvan Editor, International Desk Channel News Asia
- Mr Chris Rees Senior Trade Commissioner Austrade
- Ms Karyn Kent General Manager Tourism Australia

Dinner cont'd

- Dr Evan Resnick Assistant Professor S. Rajaratnam School of International Studies
- Dr Deborah Elms Head, Temasek Foundation Centre for Trade & Negotiations, S. Rajaratnam School of International Studies
- Dr Ralf Emmers Associate Professor S. Rajaratnam School of International Studies
- Mr Wayne Hunt, President/CEO Toll Holdings
- Mr Stephen Forshaw Managing Director Temasek
- Ms Sally Trethewie, Senior Associate, Bell Pottinger
- Major Mic Doyle Assistant Defence Adviser Australian High Commission
- Mr Nick Hullet, Public Affairs Director

FRIDAY 12 APRIL 2013

Meeting with Madam Halimah Yacob, Speaker of the Parliament of Singapore

Meeting with the Singapore-Australia Parliamentary Friendship Group

- Alex Yam MP
- Gan Thiam Poh MP
- Janil Puthuchearu MP

Lunch hosted by Dr Lily Neo MP, Chair of the Singapore-Australia Parliamentary Friendship Group

Other participants included

- Alex Yam MP
- Gan Thiam Poh MP
- Janil Puthuchearu MP

Meeting and site visit—Toll Global Logistics

Attendance at a Meet-the-People session hosted by Dr Chai Shi-Lu MP

SATURDAY 13 APRIL 2013

Site visit – Gardens by the Bay

SUNDAY 14 APRIL 2013

Depart Singapore/ Arrive Jakarta, Indonesia

INDONESIA

MONDAY 15 APRIL 2013

Embassy roundtable briefing

Meeting with Mr Pramono Anung, Deputy Speaker, People's Representative Council

Other participants included:

- Mr Kemal Stamboel
- Mr Sidarto Danusubroto

Meeting with Mr Taufik Kiemas, Speaker of the People's Consultative Assembly

Other participants included:

- Deputy Speaker Mr Melani Suharli
- Deputy Speaker Mr Hajriyanto Thohari

Lunch with media commentators from Kartika Sari, KompasTV, SCTV and the Jakarta Globe

Wreath laying ceremony at the Commonwealth War Graves

Tour of the Australia-Indonesia Facility for Disaster Reduction

TUESDAY 16 APRIL 2013

Meeting with Vice-President Boediono

Depart Jakarta/Arrive in Surabaya

Afternoon tea with Australian University Alumni

WEDNESDAY 17 APRIL 2013

AusAID briefing on Australian development projects in the Surabaya region

Site visits—Sidoarjo Region

Sidoarjo mud flow

AusAID water and sanitation program, Kelurahan Medaeng

Meeting with Dr Soekarwo, Governor of East Java

Meeting with Ms Tri Rismaharini, Mayor of Surabaya

THURSDAY 18 APRIL 2013

Depart Indonesia/Return to Australia