Indonesia-Australia Comprehensive Economic Partnership Agreement Submission 5

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SUBMISSION ON BEHALF OF CQUNIVERSITY, AUSTRALIA REGARDING THE PROPOSED INDONESIA-AUSTRALIA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT

CQUniversity would firstly like to commend the Australian Government on reaching an agreement with Indonesia regarding a long-term economic partnership with Indonesia. As one of our closest neighbours Indonesia represents an important opportunity for Australia, both in economic trade and partnerships, but it remains somewhat frustrating for many of us in Australia, at how limited our nation's understanding is of our neighbour.

Indeed, another of Indonesia's close neighbours, Singapore, has been the top investor in Indonesia since 2014, with bilateral trade reaching \$65 billion in 2018, compared to a relatively minor amount of \$16.8 billion from Australia. Admittedly, much of the investment in Singapore probably belongs to Indonesian investors who have lodged their money in Singapore and who are re-investing in Indonesia, but the relatively low investment by Australian business and government demonstrates how little we know and appreciate of Indonesia, otherwise our investment in that nation would unquestionably be greater.

CQUniversity, recognising the value of partnership with Indonesia has spent the past two years working toward building business opportunity in Indonesia. This has so far culminated in us establishing a training facility in central Jakarta, which will deliver, in partnership with other providers, postgraduate courses and corporate training programs.

The process of working with Indonesia is not always easy and the pathways can be complex and difficult to navigate, but they are largely no more onerous than what many foreign nationals experience in trying to business in Australia.



One of the major concerns many businesses express about doing business in Indonesia, has been the reported levels of corruption within the bureaucracy of Indonesia. Given the number of local government politicians in this country of late who are facing criminal prosecution or already been sentenced to jail terms, it is sobering to note we should be cautious as a nation in casting aspersions, before having our own collective house in order. That noted, as a university, we have yet to experience the level of corruption that some Australian's express concern about, in fact, we have found the government in Indonesia to be extremely receptive to partnership opportunities whilst being scrupulously diligent in ensuring strong governance in the performance of dealing with our requests over the past couple of years. We have had conversations with several senior Ministers within the Indonesian Government, including Suharso Monoarfa (whom we understand is likely to become the Treasurer in the new Indonesian national government), and Luhut (the current and likely future Coordinating Minister for Maritime Affairs in Indonesia). These Ministers have been very focussed on ensuring that ethical behaviour is both done and seen to be done in all dealings with people who work with the government. Our experience has been very much in support of their outward desire for the correct behaviour of government.

In education, the challenges of working with regulatory bodies have been well navigated by the university, relying on Indonesia's BKPM (Foreign Investment Body), which helps shepherd foreign companies through, the often complex, Indonesia environment. We would encourage Australian companies to use BKPM as part of their own due diligence in exploring the vast array of opportunity which Indonesia offers for trade and mutually beneficial partnerships.

We would strongly encourage the Australian Government to advance the process of signing the agreement, thereby encouraging Australian Business to investigate the enormous opportunity Indonesia offers. Inevitably, if we do not pursue these collective opportunities in Indonesia, given its ambition for growth and further development, then other nations will fill the gap. In our experience, there is no shortage of foreign investors from other regions, such as China, Europe and the US who are already seeking to maximise opportunity with this region.

We are happy to share with the committee some of the challenges we have faced in seeking to set up in Indonesia, along with the wide opportunity we continue to see in this region for Australian business and public institutions who are bold enough to make the investment in time and resources to explore the region.

Yours sincerely,

Alastair Dawson

Vice-President and Senior Deputy Vice-Chancellor International and Services Division