



Australia-Indonesia Youth Association
(AIYA)

Submission to the
Foreign Policy White Paper 2017

Acknowledgments

This submission was researched and written by Sally Hill and Nicholas Mark. Thanks also for input from Melanie Kilby, Sheila Hie, Samuel Bashfield, Katrina Steedman and Natasha Burrows.

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www.aiya.org.au

Executive summary

The focus of this submission is on the Australia- Indonesia relationship, and particularly on the issues that affect young people at the people-to-people and business-to-business level. This submission addresses questions 1, 2 4 and 6 of the Department of Foreign Affairs and Trade (DFAT) call for submissions.

The information contained in this submission is based on consultation with Australia-Indonesia Youth Association (AIYA) members as well as information extracted from the [2016 AIYA Survey \(Attachment A\)](#) and the [AIYA Annual 2016 \(Attachment B\)](#).

Summaries of our core recommendations are outlined below.

Recommendation 1:

The Australian Government should place greater emphasis on building meaningful and lasting people-to-people links between Australians and Indonesians through community based not-for-profit organisations.

Recommendation 2:

The Australian Government should increase its promotion of Australian culture in Indonesia as well as demonstrate Australia's readiness to engage with Indonesia by sufficiently advertising Australians' unique specialist Indonesian skills.

Recommendation 3:

The Australian Government should broadly promote positive opportunities to work in or with Indonesians to *all* Australians as well as focus on bolstering the capability of *all* Australians to understand and operate in Asia.

Recommendation 4:

The Australian Government should improve its promotion of innovative initiatives developed by Australians and Indonesians together and individually in one another's countries.

Recommendation 5:

The Australian Government should increase support services to Indonesian students studying in Australia and alumni of Australian universities, making Australia a more attractive study destination for international students.

Recommendation 6:

The Australian and Indonesian governments should discuss, as part of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) negotiations, favourable immigration policies that:

- simplify and expand visa options, such as the reciprocal work and holiday visa scheme; and
- allow companies to easily employ interns and professional skilled workers on appropriate visas.

Recommendation 7:

The Australian Government should encourage all sectors to better match employees with Indonesian cultural literacy skills to Indonesia related work and/or posts.

Recommendation 8:

The Australian Government should consider developing a secondary school level exchange program to Indonesia, in collaboration with AIYA, to encourage the continuation of Indonesian language studies.

Recommendation 9:

The Australian Government should, through the Department of Education and Training, establish a National Register of Indonesian Enrolments to monitor annual enrolment data for Indonesian in schools (at all levels) and universities.

Recommendation 10:

The Australian Government should:

- provide greater financial, in-kind and advisory support to AIYA and likeminded volunteer-youth-led organisations (VYLOs) and reduce the red tape in existing funding and acquittal processes;
- assist VYLOs to connect with Commonwealth departments, state and territory bodies, and relevant private and public sector organisations; and
- improve the frequency and pro-activity in which it reaches out to VYLOs to seek input on youth related issues,

to allow VYLOs to focus on developing and delivering innovative and cost efficient solutions that will advance our foreign policy interests in future years.

1. AUSTRALIA'S FOREIGN POLICY NEEDS TO BE GROUNDED IN A CLEAR-EYED ASSESSMENT OF OUR NATIONAL INTERESTS.

- *How should we define Australia's national interests in a changing world? How should our values underpin Australia's foreign policy? What should we do differently? How can we do better?*
- 1.1. Australia's national interests have traditionally been defined as economic prosperity and security for all Australian citizens. In striving to achieve our national interests, the Australian Government has tended to focus on tangible outputs that can be easily demonstrated to the Australian public i.e. the signing of treaties, trade agreements and aid projects. Whilst these kinds of outcomes are easy to promote, they do not aptly convey Australia's interest in establishing deeper and enduring connections with other nations. Indeed, the Australian Government's dealings with other nations have at times been perceived as 'transactions' rather than friendships or alliances.
- 1.2. As Australia's foreign policy evolves, it is critical to recognise incredible opportunities in Asia for Australia to advance its national interests whilst acknowledging the challenge of getting it right. Successfully managing Australia's relationships and forming mutually beneficial partnerships with countries in the Asian region will come to define Australia's foreign policy narrative in the decades to come.
- 1.3. By using the context of the Australia-Indonesia relationship as an example of Australia's foreign policy in the region, it is regularly argued that a lack of trust and mutual understanding has exacerbated tension between the two countries and prevented prompt resolution of disputes. In March 2010, then Indonesian President SBY, spoke to the Australian parliament about the misperceptions that Indonesians and Australians have of one another and the problems this causes.

There are Australians who still see Indonesia as an authoritarian country, as a military dictatorship, as a hotbed of Islamic extremism or even as an expansionist power. In Indonesia, there are people who remain afflicted with Australiaphobia – those who believe that the notion of White Australia still persists, that Australia harbours ill intention toward Indonesia and is either sympathetic to or supports separatist elements in our country.

- 1.4. He explained how these misunderstandings at a people-to-people level affect government-to-government relations.

There were periods when we were burdened by mistrust and suspicion at both ends. There were times when it felt like we were just reacting to events and were in a state of drift. There were moments when we felt as if our worlds were just too far apart.

- 1.5. Unfortunately, these differences still persist today, elucidated by the findings of recent Lowy Institute Polls (Lowy Poll) and a DFAT survey. In the 2013 Lowy Poll, although a high proportion of respondents noted Indonesia as a nation of key importance to Australia, it found that they did not oppose actions that may be harmful to the Australia-Indonesia relationship.¹ The Lowy Poll indicated a low level of understanding towards Indonesia; only 34% of respondents regarded Indonesia as a democracy and 42% had never heard of recently elected President Joko Widodo. The Australia-Indonesia Centre's Australia Indonesia Perceptions Report 2016 (**AIC Perceptions Report**) found that only 39% of Australians wish to learn more about Indonesia, and 57% of Indonesians want to increase their knowledge of Australia. It is clear that work needs to be done to change these statistics.
- 1.6. The 2013 DFAT poll brought similar findings to light. When asked to nominate the first things that came to mind when thinking about Indonesia 63% of respondents mentioned a 'negative' aspect, whilst 59% noted a 'positive'.² Significantly, while the positive responses were almost all related to the desirability of Bali as a holiday attraction, negative aspects were related to 'a full vernacular of terms around asylum seekers, terrorism and religious extremism, and drugs' as well as to a general distrust of the Indonesian government and political system. Likewise, only 12% of Australian respondents to the AIC Perceptions Report agreed that Indonesia is safe.³

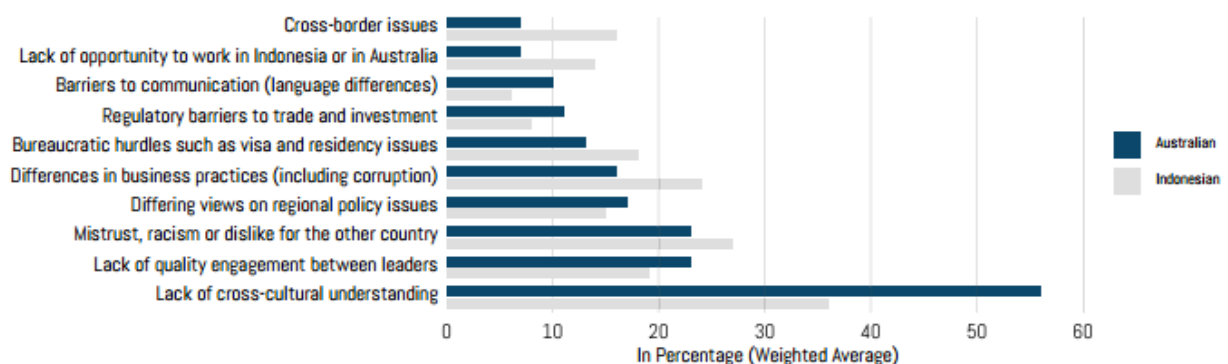
¹ Alex Oliver, The Lowy Institute Poll 2015, Sydney: Lowy Institute, 2014.

² DFAT/Newspoll, 'Australian Attitudes towards Indonesia: Report', Newspoll, May 2013.

³ See Australia-Indonesia Centre's Australia Indonesia Perceptions Report 2016, conducted by EY Sweeney, accessed at <https://aicperceptionsreport.com/Australians-and-indonesia/Characteristics-of-indonesia> and <https://aicperceptionsreport.com/>.

- 1.7. The AIC Perceptions Report identified ongoing issues regarding mistrust and misconceptions in 2016. When asked whether Indonesia is a trustworthy country, only 13% of Australian respondents agreed, whilst 44% disagreed. Additionally, 33% of Australian respondents disagreed that ‘Indonesia has trustworthy people’, whilst 22% agreed and 34% remained neutral. Similarly, only 47% of Indonesian respondents to the survey agreed that Australian people are trustworthy. These statistics reflect the mistrust between Indonesian and Australian people. They are not surprising given Australian governments’ historical tendencies to focus foreign policy on perceived threats from Indonesia and related security concerns such as anti-terrorism and asylum seeker issues, rather than the potential it has to become a major economic player.
- 1.8. The 2016 AIYA Survey identified that the number one impediment to the bilateral relationship is the lack of cross-cultural understanding (see Figure 1 below). The Australian Government needs to re-frame its foreign policy in relation to Indonesia, and Asia more broadly, to ensure that cross-cultural understanding is at the forefront of every initiative.

Figure 1: Impediments - Australian vs Indonesian Respondents (Ranking Analysis)⁴



- 1.9. In more recent times, it has been pleasing to see the Australian Government describing the relationship with Indonesia more broadly, including a focus on people-to-people links and trade and investment. The current Australian Government has demonstrated its commitment to the development of Asian literacy and capability, including through the provision of New Colombo Plan

⁴ *Weighted Average Ranking Analysis Data: To understand the relative importance of individual features, a weighted average was applied across responses. This approach allows the final average number to reflect the relative importance of each number that is being averaged. For this type of question, each respondent was entitled to three (or six) choices that were weighted differently. Similar to a preferential voting system, a respondent’s secondary selection has less of a value compared to their primary. Results were weighted accordingly: primary vote = 1, secondary vote = 0.5, and tertiary vote = 0.33 (and so on). The result is summed and the total is divided by the sum of the weights. A higher score indicates a higher level of relative importance.

scholarships. The skills developed during in-country studies will be particularly important as Australia redefines its approach to foreign investment and trade, moving away from the export of tangible objects and towards the delivery of professional services in the region. Australians will be better placed to ensure their offering is competitive, suitable and sustainable by applying their knowledge of Asia to further Australia's economic and cultural interests.

- 1.10. While the Australian Government's efforts to increase Asia capability are commendable, Australia should place greater emphasis on building meaningful and lasting people-to-people links. The Australian Government should prioritise the ongoing promotion of positive opportunities to work in or with the Asian region to *all* Australians, not just a select few.
- 1.11. The Australian Government should also increase its promotion of Australian culture in Indonesia as well as demonstrate Australia's readiness to engage with Indonesia by advertising its unique specialist Indonesian skills. This will encourage trade and entrepreneurship between Australians and Indonesians. Building deeper and broader connections with Indonesia, and the wider region, is essential to achieving Australia's foreign policy interests.

2. AUSTRALIA HAS DIVERSE INTERESTS THAT SPAN THE GLOBE.

- *Which countries will matter most to Australia over the next 10 years? Why and in what ways? How should we deepen and diversify key relationships?*
- *Which global trends, such as developments in technology, environmental degradation and the role of non-state actors, are likely to affect Australia's security and prosperity? How should Australia respond?*

- 2.1. It is undeniable that Indonesia is, and will continue to be, of crucial importance to the social, economic and security well-being of Australia over the next 10 years. As half of Indonesia's population is aged between 18 and 34 years of age, it is important to recognise that youth play an influential role in Indonesian politics and society. The new generation of Indonesian youth demonstrate a willingness to engage in the Asia Pacific region, and Australia must position itself to reciprocate. Interestingly, but not surprisingly, Australians are not yet convinced about the opportunities to be gained by increased engagement with Asia. This hesitation is evidenced by the finding in the AIC Perceptions Report that 65% of Indonesians agree that Australia is an important trading partner, whereas as only 51% of Australians agree that Indonesia is an important trading partner.
- 2.2. The 2016 Lowy Poll saw a six-point lift from 2014, where 15% of Australians now say that Indonesia is our 'best friend in Asia'. Australians are aware of the rising importance of Indonesia, but there is still a long way to go to reach the relationship's potential.
- 2.3. It is encouraging to see the Australian Government's renewed focus on the significance of Indonesia. The opening of a new Australian Consulate in Makassar in March 2016, along with the recent announcement on 26 February 2017 that a further Consulate will open in Surabaya, demonstrates that Indonesia is the country that will matter the most for Australia in the next 10 years.
- 2.4. The 2016 AIYA Survey found that the Australian Government is handling its relationship with Indonesia increasingly well. In 2014, 85% of Australian respondents viewed that Australia was poorly managing its relationship with Indonesia. In 2016, the balance of opinion was much more positive, with 46% of Australians indicating that they "slightly agree" that the Australian

Government is managing the relationship well. Whilst there were still many responses that remain critical of Australia’s management of the relationship, it is encouraging to see the positive shift over the past two years, from both Australian and Indonesian respondents.

Figure 2: Australian Respondents on 2014 (upper row) vs 2016 (lower row)

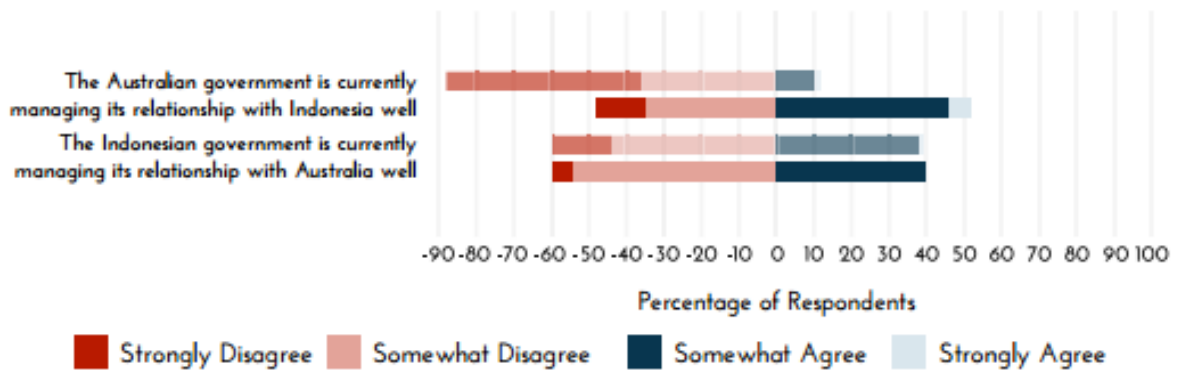
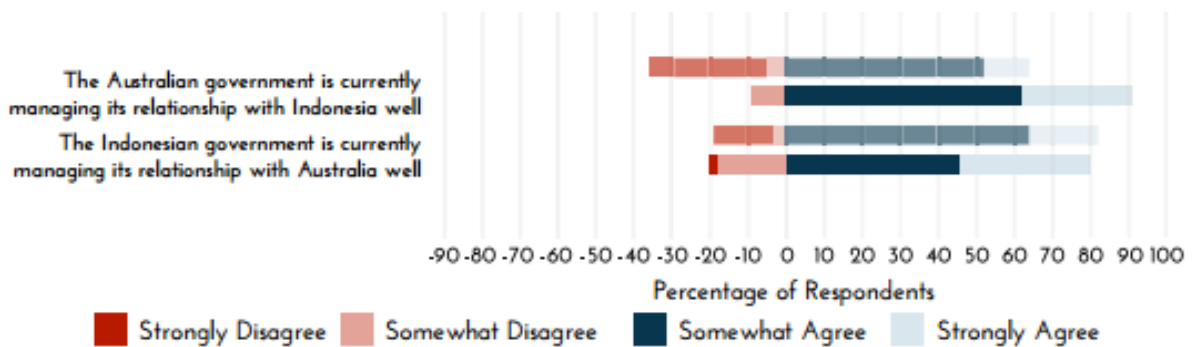


Figure 3: Indonesian Respondents on 2014 (upper row) vs 2016 (lower row)



2.5. The recommendations explored in this submission will assist to ensure that the trajectory of the relationship between Australia and Indonesia continues to improve. AIYA respondents determined that the four key areas that can improve bilateral relations are:

- Education (language, history and culture);
- Government-to-government relations;
- Economic and business engagement; and
- Cultural and community engagement.

Figure 4: Perspectives on key bilateral policies (weighted average raking analysis)



2.6. Respondents in the 2016 AIYA Survey recognise the clear link between these key areas:

"Education is the most important because our countries know so little about each other. Ignorance breeds fear of the unknown which can cause tensions."

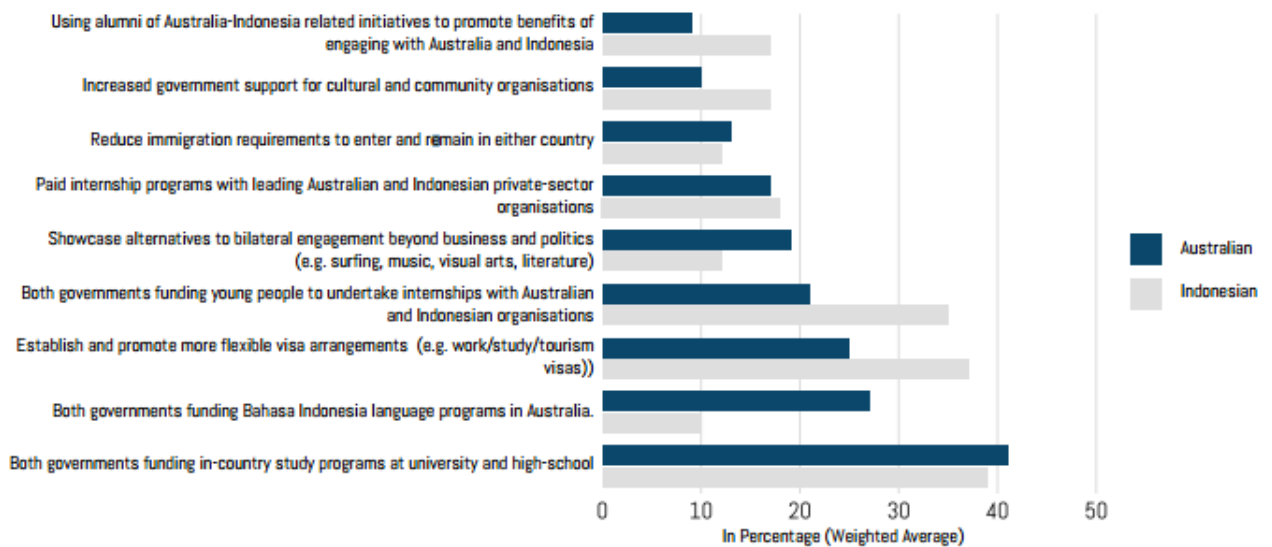
"I believe that by fostering greater education and cultural and community engagement, better business ties and governmental relations will naturally occur."

2.7. With the rise of technology and growing availability of internet access in remote Indonesia, it is possible that we will see a shift from in-country to online learning in the impending years. Whilst this may improve the outreach of Australian universities to the Indonesian market, it could reduce the impetus for Indonesians to study in Australia. In-country studies carry a swathe of benefits including the development of greater cultural understanding and linguistic competencies, as well as the opportunity to forge greater people-to-people links. Currently, the New Colombo Plan and Endeavour Awards programs facilitate two-way learning while the CAFÉ program engages Indonesians studying in Australia. Although these programs are commendable they are limited in scope to students who have participated in an Australian Government funded initiative. To maintain a competitive edge over online or international options, Australia should provide greater in-country support to *all* international students studying in Australia, not just those on Government scholarships. This support should come in the form of tutorial and language assistance, as well as programs that facilitate greater engagement with the Australian public and professional industries. In order to mobilise these wider groups, the

Australian Government can utilise the skills, expertise and networks of not-for-profit organisations such as AIYA and other student or young professional groups. This engagement will assist in the pursuit of building stronger relationships in the Asian region – being a key component of Australia’s national interests.

2.8. The strong emphasis that we place on the value of in-country study is supported by the 2016 AIYA Survey. Both Australian and Indonesian respondents agreed that funding of in-country study programs for university and high school students by both governments is the most effective way to improve relations at the youth-level. While Australian participants showed their support for government funding of Indonesian language programs, Indonesian participants placed a far greater emphasis on establishing flexible visa arrangements and government funding for internships.

Figure 5: Initiatives that would be most helpful in improving engagement between Australia and Indonesia (weighted average ranking analysis)



2.9. In order to deepen and diversify Australia's relationship with Indonesia, it is recommended that the Australian Government increase its promotion of Australian culture in Indonesia. Indonesia's President Joko Widodo very recently announced a commitment to expand the presence of *Balai Bahasa Indonesia* language and cultural centres across Australia, in order to help boost the study of Indonesian. This commitment has been long sought after by the Australia-Indonesia community in Australia, and it has great potential

to provide further opportunities for Australians to learn about Indonesia when the typical educational institution option is not suitable.

2.10. Australia can learn from this investment in a cultural centre as a means of spreading a country's soft power. A key way for Australia to pursue the national interest of lifting our cultural presence in the region is to open cultural centres. The Australian Embassy in Jakarta is making great strides in this direction with projects such as the *#AussieBanget* campaign, and it is critical that these projects continue. Ensuring that Indonesians become increasingly familiar with Australian culture, Australian products and Australia's lifestyle will inevitably enable the development of stronger people-to-people and business-to-business links. Young Australians and Indonesians are very creative and have a strong passion for pop culture. The Australian Government should draw on these capabilities and the networks available through organisations like AIYA when pursuing new projects and seeking new ways to maximise youth engagement.

2.11. A core driver for establishing AIYA was to provide a platform for engagement between Australians and Indonesian students, which did not previously exist. Indonesians studying in Australia have subsequently reported that their involvement in AIYA has assisted them to overcome difficulties in integrating with the Australian population, as well as find professional employment whilst in Australia. Activities hosted by AIYA are open to all Indonesians and Australians, and are often held in collaboration with the Indonesian Students' Association of Australia (PPIA). This approach maximises engagement with the broader Indonesian community in Australia. AIYA's activities and programs range from debate nights and guest speaker events where attendees learn something new on topical issues facing both countries, to film screening fund-raisers and Australia-Indonesia trivia nights that are focused on history, culture and current affairs. Involvement in these activities can significantly improve Indonesians overall study experience in Australia and in turn will both help attract future students to Australian universities, and encourage continued ongoing engagement with Australians and Australia when those students return to Indonesia. The Australian Government should provide greater support to AIYA, and similar youth-volunteer-run organisations, to ensure that international students

sufficiently enjoy their study experience in Australia and go on to promote it to others.

- 2.12. Following in-country Indonesian studies, it is not uncommon for Australians to invite Indonesian friends to stay with them when they travel to Australia. This often results in Australians providing letters of invitation to the Department of Immigration to assist with visa processing. The visa process has been described by respondents to our 2016 AIYA Survey as “overly complex and restrictive for Indonesians, especially the tourist class visa”. We are aware of several instances where tourist visas have not been granted despite the provision of letters of invitations from reputable Australians, who share a genuine connection with their Indonesian counterparts.
- 2.13. The Australian Government should place greater weight on letters of support from reputable Australians, who have worked, volunteered or studied in Indonesia for significant periods, as this is likely to have lead to genuine connections with Indonesians whom they are happy to support and endorse during their time in Australia. AIYA recognises the value of building friendships across all levels of Indonesian society, not just with an exclusive group of Indonesians whose circumstances (financial or otherwise) would allow easy entry to Australia as a tourist. A core objective of participating in many programs like the New Colombo Plan, Australia-Indonesia Youth Exchange Program, Endeavour Awards and youth dialogues and conferences, is after all, to build greater people-people connections and facilitate deeper engagement between our two nations.
- 2.14. The Australian Government must continue to place great importance on a strong Australia-Indonesia relationship as the relationship that matters the most.

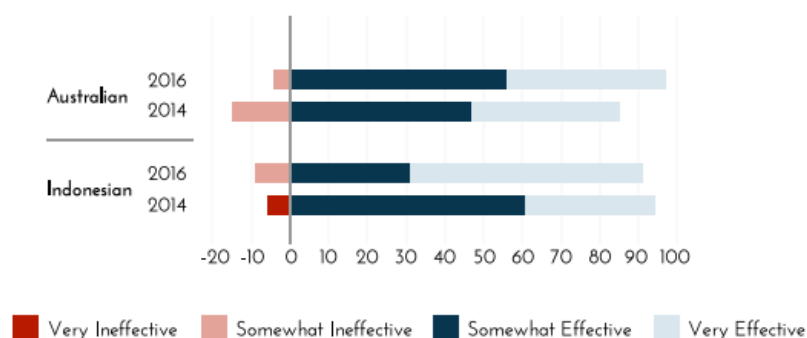
4. AUSTRALIA NEEDS TO BE AMBITIOUS IN GRASPING ECONOMIC OPPORTUNITIES.

→ *What steps should be taken to maximise our trade and investment and expand commercial opportunities for Australian business? How can we ensure Australia is positioned to take advantage of opportunities in the global economy? What are the key risks to Australia's future prosperity and how should we respond?*

4.1. Following on from this submission's response to point 2, the strengthening of the Australia-Indonesia relationship inherently requires Australia to be very ambitious in order to grasp the economic opportunities available. This section of the submission focuses on the necessity for sufficient groundwork to be laid to ensure that young Australians have the opportunity to fully contribute to the relationship in a professional capacity.

4.2. The Australian Government has taken some important steps to try and reduce the barriers to trade and investment between Australia and Indonesia, including reigniting the Indonesia-Australia Comprehensive Economic Partnership (IA - CEPA) negotiations. The 2016 AIYA Survey found that a resounding 98% of respondents were in agreement that the IA-CEPA will improve the bilateral relationship. The Survey also showed that there is much greater consensus on the anticipated effectiveness of the IA-CEPA now than there was in 2014, demonstrating that the desire for the agreement to take effect is certainly building.

Figure 6: Changing views towards the effectiveness of an IA-CEPA, 2014 vs 2016 (by nationality)



4.3. It is interesting to note that Indonesians demonstrated greater positive sentiment towards the agreement. This indicates that perhaps young Indonesians are more optimistic about the effectiveness of the IA-CEPA to result in increased trade and investment between Australia and Indonesia compared to Australian respondents.

- 4.4. We urge the Australian Government to consider the following mobility factors in order to enable young people to grasp the economic opportunities in Indonesia, in addition to the IA CEPA negotiations. We note that some of these recommendations were submitted as part of AIYA's 2012 Submission to the Asian Century White Paper.⁵ We feel that the issues are of continuing importance today.

General Immigration issues

- 4.5. AIYA's research has revealed that a major barrier for Australians in the pursuit or continuation of work in Indonesia is the country's immigration policies.
- 4.6. In the 2012 AIYA online survey (with 83 respondents) over 50% of respondents who had worked in Indonesia said the most significant challenge associated with moving to the country for work was the Indonesian visa system. The following are some of the statements made by respondents to our survey:

"Challenges [to moving to Indonesia for work]: obtaining the appropriate working visa...If I had the opportunity and the correct visa to work there [in Indonesia] again, I would definitely do it again."

"The financial challenges of acquiring an appropriate visa is very difficult, particularly as working visas require the applicant to enter, leave and then re-enter the country. There is also very little visa information available which means paying for assistance from an agent is required."

- 4.7. Immigration has long been a thorn in the side of the Australia-Indonesia relationship. For example, the Australian Consortium for In-Country Indonesia Studies (ACICIS) was established in the 1990s in large part to help Australian students overcome the bureaucratic hurdles associated with arranging student visas for Indonesia. These bureaucratic hurdles have not

⁵ AIYA Website, Publications, accessed at http://www.aiya.org.au/wp-content/uploads/2012/09/AIYA-Submission-to-Asian-Century_final1.pdf.

gone away for students, business people and young people who want to spend time in-country. We recommend that the Australian Government undertake discussions with the Indonesian Government with an aim to simplify the visa process in order to encourage young Australians to spend extended periods of time living and working in Indonesia to forge those life-long people-to-people links and career development.

Work and holiday visa scheme

- 4.8. Of particular further concern for young people is the existing work and holiday visa scheme offered by Indonesia to young Australians. In 2009, Indonesia and Australia signed a reciprocal visa arrangement allowing people under the age of 30 with tertiary degrees to work and holiday in each other's countries. This scheme was developed to encourage more young Australians to spend time in Indonesia and young Indonesians in Australia. Upon launching the scheme, Australia's Minister for Immigration Chris Evans, said "this new arrangement is an investment in future relations with Indonesia".⁶ Despite its lofty ideals, however, the scheme is beleaguered by serious limitations and bureaucratic problems surrounding its implementation.
- 4.9. The work and holiday visa scheme was initially limited to only 100 visas from each country per year. The success of the program led to significant increase in the quota of available visa to 1,000 per year, effective 3 July 2012.⁷ Our sources indicate that this quota applies equally to both Australians and Indonesians, however the only place where this information is currently available publicly is on the AIYA website.⁸ Whilst we welcome the fact that the number has increased 10 fold, it is still a low figure in comparison to the total number of Australians who work overseas using work and holiday visas each year.
- 4.10. As a first step, we recommend that the Australian Government enter into discussions with the Indonesian Government and other organisations in the Australia-Indonesia community such as AIYA, to lift the profile of the

⁶ Work and Holiday Visa Arrangement with Indonesia announcement, Media Release, 6 August 2008, accessed at http://indonesia.embassy.gov.au/jakt/MR08_070.html

⁷ Indonesian Embassy of Australia website, accessed at <http://indonesia.embassy.gov.au/jakt/visa462.html>

⁸ AIYA Website, Resources for Australians, accessed at <http://www.aiya.org.au/resources/indonesian-work-holiday-visa/>

availability of this visa scheme. It is currently significantly underused, especially on the Australians' side, and it has incredible potential to further Australia's national interests of building stronger people-to-people links amongst youth. The purpose of this recommendation is, within 5 years, to further increase the number of work and holiday visas available to young Australians and Indonesians. It is particularly important to further increase the amount of visas available for young Indonesians in recognition of Indonesia's vast population and the valuable contribution that they can make to Australia during their time here, both economically and culturally.

4.11. The visa scheme has a number of limitations on the sectors that Australians are allowed to work in. The current work and holiday form indicates that Australians are restricted to working in the areas of 'education, tourism, health, social work, sport, art and culture'.⁹ It is unclear whether these limitations still apply to the current work and holiday scheme. The Australian Government should enter into discussions with their Indonesian counterparts to see if they can increase the scope of the work and holiday visas to encourage young professionals who have expertise outside these fields to participate in the scheme.

4.12. Historically, the work and holiday visa has not been well publicised to Australians and was not recognised by Indonesian consular staff and immigration officials. A survey carried out by AIYA in December 2011 indicated that only 3 respondents out of 100 participants who had previously studied in Indonesia had successfully obtained a work and holiday visa to Indonesia. Several respondents reported that they had tried unsuccessfully to obtain the visa. In more recent years, AIYA has worked closely with the Indonesian Government in Australia to facilitate information about the work and holiday visa.¹⁰ The Australian Government should encourage and assist the Indonesian government to sufficiently publicise the work and holiday visa to ensure that it is adequately employed.

⁹ Work and Holiday Visa application form, as available on the Consulate General of Indonesia for Western Australia's website, accessed at http://kjri-perth.org.au/wp-content/uploads/2016/03/WORKHOLIDAY_20160324145641.pdf

¹⁰ AIYA Website, Visa Event Media Release, accessed at <http://www.aiya.org.au/2013/09/media-release-aiya-new-south-wales-to-host-work-and-holiday-visa-information-session/>.

Lack of clarity on visas for internships

- 4.13. Professional in-country experience provides an opportunity for Australian interns to refine their second language skills and truly understand another culture – both professionally and socially, which will be beneficial to Australia's broader engagement with Asia. Asialink's 'Indonesia Country Starter Pack' emphasises the importance of understanding Indonesian business etiquette to be successful in conducting business in Indonesia. AIYA has been actively encouraging Australian businesses in Indonesia to provide internships to Australian students, but is frequently told that a significant problem in reaching this objective is that there is lack of clarity on which class of visa (if any) interns can use.
- 4.14. In part, there is confusion about whether the work and holiday visa (discussed above) can be used to enable interns to obtain some monetary payment. This is particularly confusing given the lack of clarity over the restrictions that apply to this visa with regards to the fields of employment. In the past, some AIYA members have been told that social-cultural visas are appropriate for voluntary internships whilst others have been told that voluntary work is not permitted on these kinds of visas. Students who are already in-country on student visas have reported that it is easier to obtain permission to conduct voluntary work once in Indonesia. However, this approach is not suitable for many graduates who wish to spend time volunteering or interning in Indonesia following their graduation in Australia.
- 4.15. The Australian Government should implore the Indonesian Government to clarify which visas are appropriate for voluntary and paid employment and encourage them to promote the opportunities for Australians to intern in Indonesia. The Australian and Indonesian governments should discuss, as part of the IA-CEPA negotiations, favourable immigration policies that allow companies that trade between the two nations to establish a bilateral internship program, whereby Australians and Indonesians can more easily complete internships in business or industry in each other's countries.

Work visas for Indonesians in Australia

- 4.16. For Indonesians, including those who completed their degree in Australia, it is very difficult to obtain professional employment after graduation due to the complexity of obtaining an appropriate visa. AIYA members have reported that Australian companies often restrict applications for employment to those who have Australian permanent residency or citizenship. This is particularly evident across Australia's big four banks. Alternatively, companies will hire graduates with valid working visas, however some working visas require Indonesians to obtain sponsorship or endorsement from the place of work. This becomes a 'chicken & egg' situation where you require the valid visa to obtain the employment but also need the employment to obtain the visa.
- 4.17. If graduate employment remains difficult for Indonesians in Australia, the competitive advantage that our tertiary institutions offer could be jeopardised. Enabling Indonesian graduates of Australian universities to work more readily in Australian companies, not only assists Indonesians to develop their understanding of the way we do business, but also enables us to build lasting ties with individuals who will naturally connect Australian and Indonesians businesses with one another. Providing work experience in the Australian context to graduates, will also assist Indonesia to develop their professional human resources through the sharing of ideas and experiences, as well as facilitate Australia to better understand Indonesians' work and social preferences.
- 4.18. The Australian and Indonesian governments should discuss, as part of the IA-CEPA negotiations, favourable immigration policies that make it easier for skilled Indonesians workers (particularly those who have graduated from Australian universities), as well as skilled Australian workers, (particularly those who have completed parts of their study in Indonesia) to work in each other's countries. This will allow Australia to ambitiously grasp the tangible economic opportunities in Indonesia and beyond.

6. AUSTRALIA USES A RANGE OF ASSETS AND CAPABILITIES TO PURSUE OUR INTERNATIONAL INTERESTS.

- *What assets will we need to advance our foreign policy interests in future years? How can we best use our people and our assets to advance Australia's economic, security and other interests and respond to external events?*
- *How can Government work more effectively with non-government sectors, including business, universities and NGOs, to advance Australia's interests?*

6.1. In order to advance Australia's interests to strengthen bilateral relationships with countries in Asia, especially Indonesia, the following assets and capabilities are paramount:

- Language skills;
- Cross-cultural communication and understanding; and
- Young people.

Valuing language skills and cultural understanding

6.2. Recognising the advantages of increased economic relations with one another, the Australian and Indonesian governments have been intensively negotiating the IA-CEPA. If Australia is to make the most of the new opportunities that this agreement will open up, being able to communicate and conduct business with Indonesians in their own language will be of critical importance. Demonstrating a preparedness to learn Indonesian language will indicate our willingness to break down stereotypes, foster close friendships and 'meet in the middle' in forging stronger ties with our nearest neighbour. Our ability to communicate with each other fluently across the English and Indonesian languages will ensure that Australians are best positioned to facilitate the exchange of ideas with *all* Indonesians, not only those who are university educated. Language skills and cultural understanding will boost productive collaboration across all industries, including professional service providers newly entering the Indonesian market. This is particularly important in light of the 2016 AIYA Survey finding that cross-cultural communication is currently the biggest impediment hindering bilateral engagement.

6.3. A 2012 report by Professor David Hill found that university Indonesian

enrolments plunged 40% nationally between 2001 and 2010.¹¹ And despite Indonesian remaining popular in Australian schools, 'enrolments are declining by at least 10,000 primary and secondary students each year.'¹² Enrolments have fallen drastically in all states of Australia; most students cease Indonesian studies before their senior years. In Victoria, Indonesian as a second language slumped to the 'seventh most studied language in the Victorian Certificate of Education, with just 588 students enrolled in 2014'.¹³ In fact, there are fewer students studying year 12 Indonesian in Australia now than there were in 1972.¹⁴

- 6.4. The factors behind the decline are complex and cumulative. In brief, a combination of factors including political instability, terrorism, and high-risk travel warnings all played a part in deterring the uptake or continuation of Indonesian language studies.¹⁵ The fact that employers don't place much weight on language skills is also likely to have contributed to this trend.
- 6.5. The AIYA 2016 Survey indicates that both Australian and Indonesian respondents place a high level of importance on education (language, history and culture) signaling that the appetite for Indonesian studies is not altogether lost. In fact, the academic expertise built up in our universities in Indonesian studies is world-class.
- 6.6. Unless Australia reinvests in Indonesian studies now, we risk losing the comparative advantage (that took generations to build) provided by linguistic expertise, and the consequent economic, political and strategic benefits that would flow from deeper relationships with Indonesia. Andrew Parker, leading Partner of PwC's Asia Practice, feels 'one of the reasons why perhaps we haven't done as much business with Indonesia in terms of trade and investment is because we don't really understand them culturally.'¹⁶

¹¹ Indonesian Language in Australian Universities: Strategies for a stronger future, Professor David Hill (**DH Report, 2012**), accessed at <http://altcfellowship.murdoch.edu.au/finalreport.html>.

¹² Monika Winarnita, 'Reviving Indonesian Studies in Australia', La Trobe University News, 4 February 2013, accessed at <http://www.latrobe.edu.au/news/articles/2013/opinion/reviving-indonesian-studies-in-australia>.

¹³ Jewel Topsfield, 'Few Year Twelve Students Study Indonesian as a Second Language', The Age, 19 November 2014 (**Topsfield, The Age**), accessed at <http://www.theage.com.au/victoria/few-year-12-students-study-indonesian-as-a-second-language-20141119-11ppjy.html>.

¹⁴ 'The Paradox of Proximity' – Remarks at the Inaugural National Australia-Indonesia Language Awards, Chris Bowen Media Release (**Chris Bowen Media Release**), accessed at <http://www.chrisbowen.net/media-centre/speeches.do?newsId=7102>.

¹⁵ DH Report, 2012 at 25-26.

¹⁶ Topsfield, The Age.

- 6.7. Opportunities exist for Australian companies and graduates in all corners of the Indonesian economy from mining to construction, financial, legal and insurance services, to transport and telecommunications. While these opportunities do not always *require* Indonesian-speaking employees, individuals who possess language skills and cultural understanding will be at a distinct advantage, and in a better position to provide greater value in their work.
- 6.8. Those who proclaim that language skills are not an advantage or that a lack of skills can be substituted for by Indonesian translators, are ignorant as to the benefits that ‘in-built’ language skills provide. Never has a member of AIYA, or any professional body that we engage with, stated that a worker’s language skills were not useful in the context of doing business in Indonesia.
- 6.9. As the Hon. Chris Bowen stated in his speech at our inaugural National Australia Indonesia Language Awards (NAILA) night:

*"(Australians can't) blithely turn up in Jakarta for meetings with our counterparts assuming, verging on arrogantly, that all our interlocutors speak English. When you consider that political decision making in Indonesia has been increasingly decentralised, with governors and mayors playing an increasing role, we can no longer assume that the people we will be talking to will automatically be English speakers. Frankly, it's a matter of respect."*¹⁷

- 6.10. AIYA’s research indicates that many employers do not recognise or value their employees’ Indonesian language skills. A survey that AIYA conducted in 2012 with 83 Indonesia-literate Australians who studied and/or worked in Indonesia, reported that several Australian organisations were lacking in cultural competence in Indonesia. This lack of Indonesian cultural competence is often to the detriment of these Australian organisations. Below is a response from the survey:

"In my previous job (financial auditing), I was embarrassed by colleagues who at times would show excessive aggression to clients. Inevitably, the clients would then put up the barriers making our job even harder."

¹⁷ Chris Bowen Media Release.

- 6.11. In our research, AIYA found that there are limited professional incentives for individuals to pursue studies in Indonesian language, culture, politics, history and society. 90% of the 2012 AIYA Survey respondents had taken their studies to the tertiary level. While some people found their Indonesian backgrounds directly useful and used on a regular basis in their current employment, this appeared to be specific to the fields of Indonesian related academic research, translation, and Indonesian language teaching. As would be expected, individuals in these fields found their background in Indonesian directly relevant and useful for gaining employment. When asked whether Indonesian was valued by employers in Australia, 40% of those surveyed did not think that their Indonesia-related skills were valued in Australia, although they are more valued in Indonesia. The fact that 40% of respondents found that employers did not value Indonesian studies is particularly surprising given more than 50% of respondents to the 2012 Survey were from sectors where Indonesian literacy is central to their work, including Indonesia related academia (33%), and pre-tertiary teaching (18.5%).
- 6.12. Disappointingly, our research found that many individuals felt that their language skills were mostly useful for reasons such as providing them with confidence and endowing them with 'cultural credibility'. Some respondents noted that the experience they had gained in Indonesia (particular their ability to demonstrate that they were able to manage diverse situations) was valuable in job interviews, as it allowed them to differentiate themselves from other candidates.
- 6.13. AIYA members have reported that there remains a misallocation of Indonesia-expertise within many Australian Government departments. Whilst Indonesian credentials may be useful in assisting an individual to get a foot in the door, there is next to no value placed on Indonesian language skills when determining where graduates are placed or employees are moved to make up special task forces. This appears to remain the case as senior management who have not had the advantage of witnessing the value of language skills are unable to identify how these skills could be of direct benefit to their team's work. As a result the Government is not

capitalising on Indonesia expertise that currently exists within staffing structures, creating additional and unnecessary costs of outsourcing documents to translators or doubling up on communications due to misunderstandings that could have been prevented. Greater recognition of Indonesian literacy by employers would be helpful for improving the retention rates for students throughout their degrees, and would be little, if not no cost to employers.

- 6.14. The Australian Government and private sector should better recognise Indonesia literacy skills in recruitment processes. This could include, for example, creating graduate programs with special opportunities for postings or secondments to Indonesia and/or 'Indonesian language' as a selection criterion on job applications. This would need to be accompanied by an evaluation of the level of language skills possessed by an applicant to prevent the process being misused, as well as ensuring that it is not perceived as a tick and flick process. The National Australia Indonesia Language Awards (NAILA) has the appropriate personnel to assist Australian Government departments with this and is currently in the process of developing a separate proposal to promote this approach.
- 6.15. AIYA is aware that the private sector is experiencing increasing demand for employees with Asian language capability. An AIYA member who works for one of the big four banks in Australia has shared that the demand of Asian language speakers, especially Indonesian, is higher than ever. Unfortunately, the number of employees who can speak Indonesian is rather low, while there is an increase in the number of Indonesian-related deals. This is evidence that Australia is already falling behind. Indonesia is the 15th largest economy in the world and it is expected to become one of the top 10 economies by 2030 – we must ensure that the opportunities for deep, diverse and long-lasting engagement do not pass us by.
- 6.16. The Government should consider innovative solutions to the ongoing decline in Indonesian language studies. This should involve consulting more closely with AIYA, and other likeminded organisations, to conduct research into the root cause of the problem, as well as brainstorm and collaborate on new programs. It will not be sufficient for Australia to continue to push old methods that have not yielded good results in the past.

6.17. AIYA recommends that the Government consider developing a secondary-school-level exchange program to Indonesia, in collaboration with AIYA, to encourage the continuation of Indonesian language studies. Research indicates that school aged students are more likely to develop fluency in a second language if they consolidate their language skills earlier, preferably before puberty. Australia should be capitalising on its young people's language skills at an earlier stage of their lives to encourage ongoing engagement and expertise. In-country experience is necessary to ensure that students have a chance of achieving real proficiency. AIYA is best placed in the community to develop a trial program with sufficient support and funding from the Australian Government.

6.18. The federal, state and territory governments of Australia, through the Ministers of Education, should establish a National Register of Indonesian Enrolments to monitor annual enrolment data for Indonesian in schools (at all levels) and universities. The register should also include information on which schools teach Indonesian so that non-government organisations, like AIYA, can easily contact schools to offer free support services and educational activities. Currently, AIYA and NAILA have been generating our own lists of schools through word of mouth – we understand that no such register is currently in existence.

AIYA's activities and contribution

6.19. The Australian Government can and should work more effectively with non-government sectors, including business, universities and NGOs, to advance Australia's interests. In the context of the Australia-Indonesia relationship the Australian Government should endeavor to work more closely with AIYA and provide greater financial, in-kind and advisory support to our organisation.

6.20. AIYA's mandate is to:

- *connect* young Australians and Indonesians to each other and to opportunities to engage in the bilateral relationship;
- *inform* young people about the bilateral relationship and about

avenues to engage with Australia and Indonesia; and

- *inspire* business, government, educational institutions and other organisations to support and facilitate youth engagement with Indonesia in Australia.

6.21. Since 2011, AIYA has successfully demonstrated its ability to fill an important gap and lead Australia's engagement with Indonesia at the youth-level. AIYA's key strength is its expansive network with an active chapter in each Australian state and territory and in four Indonesian provinces. AIYA has developed a strong reputation for executing diverse events that connect our members with each other and with business, government and academia engaged in the bilateral relationship.

6.22. In 2016 alone, AIYA executed over 120 events across Indonesia and Australia, including a successful major nation-wide initiative, the National Australia Indonesia Language Awards (NAILA). As an organisation, we have a sustainable incorporated structure, with a set of policies and guidelines to ensure that chapter activities are run effectively and that stakeholder interests are considered. AIYA actively collaborates with like-minded organisations including PPIA, ACICIS, the Australia Indonesia Centre (AIC), the Australia-Indonesia Business Council (AIBC), Asialink, the private sector, and government bodies. AIYA's core activities include educational days, professional networking evenings and language exchange and cultural events. For more information on our activities please refer to [Attachment B](#). AIYA events are regularly reported by media including ABC, Australia Plus, AAP, The Jakarta Post, The Jakarta Globe, and The Guardian. We have gained support from members of parliament and other Australian and Indonesian VIPs who have provided video testimonials to assist us to market our endeavours.

6.23. Our large flagship initiative, NAILA, plays a crucial role in strengthening people-to-people links between Australia and Indonesia and promotes the value of engaging in each other's language and culture. NAILA is the first language competition of its kind in Australia bringing together speakers of all different age groups and backgrounds to enable them to learn, network and mentor one another. NAILA uniquely provides face-to-face and online assistance to participants who are not formally enrolled in Indonesian

studies to assist them to participate in the competition. Building on from the 2015 inaugural competition, in 2016 NAILA received a record 85 high quality video entries in Indonesian, including entries from remote Indonesia and Australia i.e. Broome, Townsville and Manjimup. The winning entries can be viewed at www.youtube.com/nailaorgaus. NAILA's VIP judges carefully selected the winner of each category who presented to 200 guests at a formal awards ceremony held at Allens' Melbourne office. His Excellency the Indonesian Ambassador was a keynote speaker amongst other VIP guest speakers from across the varying Australian and Indonesian industry sectors.

6.24. NAILA works closely with the private sector, government and non-government organisations to promote language studies. At present, NAILA is the only source of free online resources of Australians speaking in Indonesian. The YouTube channel has over 800 subscribers and the videos have been viewed over 170,000 times. This is testament to the dedication of our volunteers – especially given that we do not regularly receive high-profile assistance in promoting our channel, and do not have sufficient funds to pay for widespread advertising.

6.25. Producing video content of Australians speaking Indonesian is important, not only to illustrate Australia's dedication to learning the language and breaking down barriers with Indonesians, but also to provide a solid example for prospective and current language students on how your language skills can improve. Innovative initiatives, like NAILA, should receive greater financial and in-kind support to assist in promoting the study of the Indonesian language. It is not sufficient for the government to continue to fund or engage organisations whose purpose or approach is to maintain the status quo. We must develop greater breadth of programs and new techniques to trial (even if they fail) so that Australia can determine the best approach going forward and continue to improve.

Youth organisations as a sustainable means of advancing Australia's national interests

6.26. AIYA is appreciative of the Australian Government's support in the form of grants received from the Australia-Indonesia Institute and assistance in

promoting events and programs, particularly through the Embassy in Jakarta's social media platforms. This funding however covers only a small proportion of our overall costs – the majority of our sponsorship comes from the private sector and other Asia-related bodies, such as the Australia-Indonesia Centre. AIYA does not currently obtain financial or in-kind support from any other Commonwealth departments or agencies and has historically only received small grants of approximately \$2,000 from the Victorian Government on sporadic occasions. AIYA is working to improve engagement with the broader Commonwealth and state and territory government departments to obtain funding and assist in promoting our programs (i.e. through the Commonwealth Departments of Education and state and territory equivalents).

6.27. The Australian Government can assist AIYA to promote greater people-to-people links by providing greater financial support and advisory roles as well as by engaging AIYA and other youth led volunteer organisations on a regular basis to draw on their expertise and ideas. This will ensure that both the Australian Government is up to date with youth related issues, and also that youth organisations like AIYA are aware of the Australian Government's evolving strategic priorities.

6.28. The Australian Government should improve the frequency and pro-activity in which it reaches out to AIYA, and other likeminded organisations, to seek input on youth related issues. AIYA recommends that at a minimum DFAT conduct quarterly calls to engage AIYA's expertise, touch base, and determine whether there is scope to collaborate on joint-initiatives. AIYA notes for example that it could have contributed to the development or implementation of the Australian Government's CAFÉ Program (which is delivered as part of the Australia Awards). Perhaps this is an example of where we can assist the Australian Government with existing initiatives. Whilst we support and encourage the development of programs that improve people-to-people links with Indonesia, AIYA encourages the government to consider utilising and expanding existing resources before developing new or duplicative programs.

6.29. Youth volunteer-run organisations play an important part in the development and implementation of innovative, suitable and sustainable foreign policy

solutions. Organisations like AIYA, which consist of board members from across government, private and NGO sectors, are best placed to provide well thought out and industry appropriate advice on Australia-Indonesia focused initiatives as well as to develop new and competitive programs. Our team of young professionals are experienced in law, economics, investment, education, human resources, marketing, communications and partnerships – and are all also experts on Indonesia. At AIYA, our volunteers have the opportunity to build new skills and lead teams of innovative thinkers; we are in a position to take risks and, if necessary, fail fast (with very little capital on the line).

- 6.30. The Australian Government should continue to acknowledge the excellent work conducted by AIYA and other likeminded volunteer-run organisations, and provide greater support including reducing red tape in funding and acquittal processes. This will allow volunteer run organisations to focus on developing and delivering innovative and cost efficient solutions that will advance Australia's foreign policy interests for the next 10 years and beyond.



ABOUT AIYA

The Australia-Indonesia Youth Association is a non-government, not-for-profit volunteer-youth-led organisation, which aims to better connect young Indonesians and Australians to each other and to Australia-Indonesia related opportunities.

Our vision is for a stronger Australia-Indonesia relationship by advancing education and culture through increased youth engagement.

AIYA's mandate is threefold:

- **connect** young Australians and Indonesians to each other and to opportunities – educational, cultural and professional – to engage in the bilateral relationship;
- **inform** young people about the bilateral relationship and avenues to engage with Australia and Indonesia; and
- **inspire** business, government, educational institutions and other organisations to support and facilitate youth engagement with Indonesia in Australia.

Since 2011, AIYA has successfully demonstrated its ability to fill an important gap and is poised to lead Australia's engagement with Indonesia at the youth-level. AIYA's key strength is its expansive network with an active chapter in each Australian state and territory and in four Indonesian provinces. AIYA has developed a strong reputation for executing diverse events that connect our members with each other and with business, government and academia engaged in the bilateral relationship. In 2016 alone, AIYA executed over 120 events across Indonesia and Australia, including a successful major nation-wide initiative, the National Australia Indonesia Language Awards (NAILA).

For further information or consultation about AIYA and this submission, please contact the **AIYA National President, Nicholas Mark** (president@aiya.org.au) or the **Director of NAILA, Sally Hill** (sally.hill@naila.org.au).