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Subject : Response to Australian White Paper

Dear Sir/Madam

**Office of Australian in the Asian Century Implementation Unit
Department of Foreign Affairs and Trade.**

On behalf of the Indonesian Students Association of Australia (PPIA), we would like to thank Australian Department of Foreign Affairs and Trade for the invitation to give responses and insights for the Australia in the Asian Century White Paper, in particular, on issues that involves Indonesia and Australia. PPIA realises that we are students who experience firsthand on the importance of mutual understanding and cooperation between both countries. We believe that we can provide a unique insight that can strengthen the relationship between our two great Nations.

In the past few weeks we have asked our members to be actively involved and share their opinions and views on the White Paper via the public consultation and this letter. We hope this letter will provide contextually based insights and understanding that will be beneficial for both the Australian and Indonesian Government.

The responses from our members are compiled and analysed by our academic committee members who are currently studying or have recently graduated (less than 6 months) from various Australian Universities:

Ratih Maria Dhewi : Phd, Human Resource Management (University of Canberra)

Made Andi Arsana : Phd, Ocean Affairs and Law of the Sea (University of Wollongong)

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Pan Mohamad Faiz II : Phd, Constitutional Law (University of Queensland)

Pinus Jumaryatno : Phd, Marine Natural Product Chemistry (University of Queensland)

Bagus Nugroho : Phd, Aerodynamics (University of Melbourne)

Melia Famiola : Phd, Human Resource Management (Macquarie University)

Rino Nugroho : Phd, IT E-Government (University of Queensland)

Anton Rahmadi : Phd, Anti-inflammatory Drugs and Neuroscience (University of New South Wales)

Rahayu Puspa : Phd, Business (Curtin University)

Sony Kusumasondjaja: Phd, Marketing and Tourism (Curtin University)

Astria Nur Irfansyah: Phd, Microelectronics (University of New South Wales)

We have received several responses from our members, either from individuals or from a group, namely :

Made Andi Arsana : Phd, Ocean Affairs and Law of the Sea (University of Wollongong)

Anton Rahmadi : Phd, Anti-inflammatory Drugs and Neuroscience (University of New South Wales)

Pandu Utama Manggala, President PPIA State Branch, on behalf of ACT Chapter

Muhammad Taufan : Phd, International Law (Flinders University)

Gede Arya Wiryarna : Master. (University of Canberra)

The responses from our members are attached in this letter. We hope that our insights may contribute in strengthening the relationship between Australia and Indonesia in all stages.



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We greatly appreciate to Australian Department of Foreign Affair for this opportunity. We would like to propose to government of Australia for the long-term partnership between PPIA and Australian Institutions; especially in the area of education, cultural and youth development. Similar appreciation goes to the Indonesian embassy that has fully supported the activities of PPIA.

On behalf of PPIA,

Bagus Nugroho

President

PPIA National Chapter

2012 – 2013

Ratih Maria Dhewi

PPIA White Paper Team Leader



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Response by:

Made Andi Arsana : Phd, Ocean Affairs and Law of the Sea (University of Wollongong)

Topic : Maritime Issue

Indonesia is an archipelagic country and Australia is undoubtedly a maritime nation. Three maritime-related issues are essential: maritime boundaries, illegal fishing, and people smuggling.

Firstly, the unusual situation on maritime boundaries between Indonesia and Australia regarding seabed (continental shelf) and water column (exclusive economic zone or EZ) in the Timor Sea. This is a unique situation where the seabed belongs to Australia but the water above it falls within Indonesia's jurisdiction. Lack of understanding on this issue by Indonesian fishermen has caused problems in resource utilisation. There is a need for continuous and sustainable information dissemination, particularly for the fishermen and the people residing in outer islands with extensive contact with border areas. Education and training targeting not only academics and bureaucrats but also fishermen is an option that Indonesia and Australia can collaboratively do in the future.

Secondly, illegal fishing conducted by, mostly, Indonesian fishermen around Australian waters has been a serious concern. Regardless of programs that have been established to deal with the issue, progress is not yet satisfactory. It has to be well understood that economy is the key driving factor of such illegal activities. Merely disallowing fishermen to fish in certain maritime areas does not seem to be the best solution. Comprehensive approach to empower the economy of the people involved in such



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activities is inevitable. One important thing to note is that the fishermen come to fish in Australian waters for certain species that they can sell for a good price. Empowering the fishermen to be able to breed certain species in an aquaculture system, for example, seems to be one of the best solutions.

Thirdly, people smuggling by using Indonesia as a transit point is a serious issue for both countries. While the involvement of a well organised international crime network is evident, the involvement of innocent Indonesians who were utilised in transporting illegal migrant without their awareness is also possible. For example, fishermen or under aged Indonesians were often asked to transport illegal migrants with certain amount of payment. It is often the case that they did it without awareness that the job was illegal. To deal with this, providing practical education to people residing along southern coastal areas is a good option.

To sum up, Indonesia and Australia are both a maritime nation that deems the ocean as an important part of their territory and jurisdiction. The ocean, instead of a separator, has to be seen as a connecting medium. Intensifying collaboration between the law enforcement agencies of Indonesia and Australia at the borders is essential. This should include transfer of technology and cross-culture understanding, something that is usually missing in a formal joint collaboration. Simply put, good neighbourhood interaction will highly depend on the ability of both countries to manage the ocean between them. As Robert Frost once put, “good fences make good neighbours”.



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Response by:

Pandu Utama Manggala, President PPIA State Branch, on behalf of ACT Chapter

Topic : Student, Education, People to People

PPIA welcomes the release of the *Australia in the Asian Century White Paper* as it acknowledges the vital aspects to strengthen the region's future prosperity. Firstly, it recognises the importance of an enhanced people-to-people contact. Secondly, it underlines the importance of building social harmony in both countries. Thirdly, it emphasises the need for active contributions not only from the Governments, but also from business sectors and civil society. PPIA is also delighted to be acknowledged as one of the youth-led organisations working to improve people-to-people contact between Australia and Asia.

We understand that we, Indonesian youths studying in the down under, all have an important job to promote better understanding between the two countries. Indonesia and Australia's relationship has spanned over 65 years, filled with many ups and downs, generational changes, political eras, and crises. However, Indonesia-Australia relationship has endured and we are confident to say that in the future it will continue to flourish.

PPIA is pleased of the White Paper's approach that recognises the growing opportunities from Indonesia, be it economic opportunities, political, or socio-cultural opportunities. The White Paper recognises that Indonesia is likely to be one of the top 10 global economies by 2025 and thus creating the initiatives to encourage greater Indonesian literacy providing every Australian school children access to Bahasa Indonesia, as one of the four priority Asian languages.

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PPIA also saw new developments that will be vital to the future of our country's relationship. PPIA acknowledges that our President and Australian Prime Minister have agreed to establish the Indonesia-Australia Comprehensive Economic Partnership Agreement, a new education partnership, and the Indonesia-Australia Leadership Dialogue. These encouraging developments signal the willingness of both countries to enhance and maintain the relationship based on trust, understanding, and shared values of democracy, equality and shared prosperity. Moreover, PPIA also acknowledges that people-to-people contact is an important asset, to ensure the success and sustainability of our relationship.

To that extent, we have a saying in Indonesia, *“tak kenal maka tak sayang”*. This means that if we do not know each other, then we would not care for each other. Taking this further, knowing more of each other's needs, views and thoughts is an important building block in our relationship. This is why we very much welcome the establishment of the new education partnership and the Australia-Indonesia Leadership Dialogue.

The new education partnership would provide more opportunities for both Indonesian and Australian students to interact with each other. We are hoping that the Australian Government will continue to foster this approach and enlarge the opportunities for every Indonesian from Sabang to Merauke and Miangas to Rote, to study in Australia, be it through high-school exchange programs or under the Australia Awards Scheme.

However, we also saw at least two important issues that need to be addressed in the new education partnership. First is, as the cost of living in Australia is very high, the new education partnership should provide concrete solutions to help international



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students to study in Australia. This can be done for instance, by providing concessions for international students. ACT and NSW may have provided that kind of concession, but international students in Victoria, have yet to get travel concessions. The second issue is related to travel advisory to Indonesia. We are concerned that the implementation of the scheme to substantially encourage more Asians, in particular Indonesians to travel, study, and work in Australia is still yet to be materialized. Obtaining Australian visa is still seen to be very difficult for an Indonesian/Indonesians because Australia reissued its travel advice for Indonesia in 2012 to reconsider the need to travel and exercising a high degree of caution. We hope that this kind of issue will be resolved to foster people-to-people contact between our countries.

As a graduate student at the Australian National University, I myself have seen that by interacting with each other in an environment that encourages open and frank discussions, students are able to enrich each other's understanding and perspective on the two countries, cultures, and people. These students would then go on to be the next generation of leaders and would play a vital role in maintaining and improving relations between our two countries.

PPIA also acknowledges that in the spirit of people-to-people contact, both countries have established the Indonesia Australia Leadership Dialogue. We see that this forum would bring together public figures, business leaders, academics, and others for wide-ranging discussions and exchange of ideas that would occur annually. These types of regular interactions will undoubtedly promote discussions, foster working relationships, and bring us closer to one another. PPIA hopes that in the next dialogue PPIA would be invited to participate in the forum.

PPIA views Australia as a close friend, a good neighbour, and a constructive partner for Indonesia. The two countries share the common future of our own region,

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along with its stability and its prosperity. All of us here are important stakeholders in this engagement, and thus, we are certain that by working closely together we will be able to tackle these tasks confidently and vigorously. Thank you so very much.



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Response by:

Muhammad Taufan : Phd, International Law (Flinders University)

Topic : Visa and Tourism

Moving Forward on Visa and Tourism Policies

Improving visa processes, both with Australia and Indonesia's authorities, is highly important in enhancing tourism and access to education between the two countries. Below are the submissions to improve those aforementioned matters:

Visa Processing Time

Processing time could really affect the main impression of an applicant during the visa application experience. This implies to both the length of time an applicant must wait for the result of health assessment by central authority, and the time for an interview with a consular officer (whenever an interview is required). Longer time to obtain a visa and the complexity of the application have somewhat become hindrances, thus frustrate many Indonesian applicants. Not only does this circumstance might lead to a wrong perception about Australian authorities, it might also create a misunderstanding on how far officials actually support people-to-people contact. Hence, it is suggested that the Department of Immigration and Citizenship (DIAC) of Australia could reduce the visa processing time. Among ways to reduce visa process time is by implementing *Trusted Traveller Program (TTP)* and by building a partnership with the private sector. TTP employ a thorough vetting of travellers who have voluntarily applied for membership, paid certain fees, and provided personal data (including biographic information, photos, and fingerprints) to custom and immigration officers. The partnership between public and private sectors could be facilitated by organisations such as the *Australian Chambers of Commerce* overseas. These organisations therefore can offer assistance to small and



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medium enterprises, as well as tourism entities in navigating the visa process to visit Australia. It is expected that these programs could expedite the visa process.

Information on Visa Process

Both Australia's and Indonesia's consular officers are expected to disseminate information on detailed visa process through traditional medias, social medias and in-person meetings. These approaches together can help explain visa application processes to potential visitors, whether it is for vacation, business, or education purposes. Furthermore, publishing official videos on visa-related processes would considerably help potential visitors, thus should be highly considered.

Infrastructure Improvement and Increasing Efficiency

With regard to the application of Indonesian visa, the investment in infrastructure of its consular sections would be highly beneficial. Due to the increasing volume of visa applications, additional interview windows and more space for additional staffs are needed to increase the capacity of consular section, thus leading to a better service quality. Moreover, improved infrastructure by incorporating modern technology into the visa processing system would provide wider service coverage and enhance security level of the process at the same time. In this respect, it is understood that the use of software could significantly reduce the time required documenting interview notes, and assessing files among other things, thus enabling consular staffs to process more applicants in a shorter timeframe.

Tourism Partnership

In general, both Indonesians and Australians are quite aware of the top tourism destinations in both countries. However, both Governments should further promote tourism partnerships in order to move beyond the status quo. Expanding existing cooperation could be done, for instance, by enhancing institutional linkages and



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encouraging promotional activities. In the case of Australian tourists, it is important for both countries to also highlight the existence of other fascinating destinations in Indonesia such as Lombok, Manado, Komodo Island, Raja Ampat, and Yogyakarta. It is essential that in supporting those ideas, partnerships with private sectors (such as airlines and tourism companies) would have to be established and well-maintained.



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Response by:

Muhammad Taufan : Phd, International Law (Flinders University)

And

Anton Rahmadi : Phd, Anti-inflammatory Drugs and Neuroscience (University of New South Wales)

Topic : Bilateral Relationship

The Importance of Capacity Building and Institutional Cooperation to Deepen Australia and Indonesia Links

‘Capacity building and institutional cooperation’ for both Government officials and the public in Australia and Indonesia is the policy that provides knowledge enhancement about two countries which leads to stronger bilateral relations. They have special features; often consist of pre-defined projects and partnerships at national and local levels. Australian and Indonesian Governments can however modify the features and involve businesses and communities as partners in implementing capacity building and institutional cooperation.

Capacity building for officials and the public could specifically address the issue of Australia’s and Indonesia’s growing international role, such as Australia with the United Nations Security Council 2013-2014 and Indonesia with ASEAN and APEC 2013. This is in line with the interest of both countries in elevating people’s knowledge about Australia and Indonesia. It is also crucial for Governments to ensure that capacity building is being implemented widely across Australia and Indonesia, and reaches the lowest administrative level, as well as the grassroots in the society.

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Bearing in mind the significant number of Government officials in Indonesia, it is hoped that institutional cooperation between Government agencies from the two countries could become the means in deepening their ties. The cooperation would contribute to strengthening networks, further enhance exchanges of knowledge, and share of best practices. This could also contribute to Indonesia's efforts in facing the challenges of poverty and ineffective administration. In this respect, the cooperation should aim to promote modern and efficient administrations, human resources and management skills, and the implementation of designated tasks with high quality standards.

The participation of businesses and communities are also equally important to enrich inputs and sponsorships in the projects of capacity building and institutional cooperation. As stakeholders, it is inevitable to have businesses and communities evaluate the implementation of the projects and its outcomes. Finally, it is expected that capacity building and institutional cooperation could bolster mutual understanding between the two countries and increase knowledge on each other from various aspects in political and socio-culture wise.

Indonesia is about to face new challenges in the region towards a vision to establish an ASEAN Community by 2015. One of the aspects that took a lot of attention is challenges in facing ASEAN economic community 2015. The main objective of ASEAN Economic Community towards a single market is expected to reshape ASEAN's policy towards other countries, including Australia. The fact that many issues would be addressed through regional mechanism would also affect bilateral relations of ASEAN member countries with the non-ASEAN countries, especially since ASEAN member countries have been committed to the 'ASEAN Centrality'. However, the regional architecture developments shall not undermine



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bilateral relations between Indonesia and Australia. Both countries would have to be able to put forward the best efforts to take opportunities from those developments and address common interests.

Collaboration in many aspects i.e. in agriculture, sustainable economy issues, research and economic activities, should therefore considered by both countries to be strengthen. To Australia, this would mean an opportunity to be involved in deepening cooperation with one of the biggest and most dynamic regionalism in Asia, as well as with Indonesia, as the biggest country in the region itself.

To Indonesia and other ASEAN countries, this would mean an opportunity to strengthen cooperation with Australia to further contribute in shaping the best policies in facing ASEAN Community 2015.



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Response by: **Gede Arya Wiryana**, Master of Human Resource Management,
University of Canberra-Australia

Topic: Understanding Industrial Relations in Indonesia

The White Paper program will give a positive impact for Indonesia and Australia's relationship in the future, particularly the business investment relationship between the two countries. It is hoped that there will be more investment from Australia by locating their companies in Indonesia. There are several essential informations, especially in relation to the employment relations, that must be realized by An Australian employer before deciding to invest their business in Indonesia. For instance, Indonesian's Industrial relations system is very different, especially regarding Union's roles, and the employment contracts, which includes; health & safety issues, payment concept, termination of employment and workplace dispute resolution. It is strongly suggested that all employers who wish to invest in Indonesia need to understand Indonesian Workforce Act no. 13/2003.

Trade Union

Union membership in Australia has fallen dramatically in recent years, for instance, in 1990 from 2.66 million memberships to 1.84 million in 2004 (Teicher et al 2006, pp.120). The decreasing number of members has given a huge impact on the power balance and bargaining system between the trade union and the employer(s). Australia's trade union's bargaining power is extremely low, unlike in Indonesia. In



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Indonesia, trend shows that Union membership has risen dramatically since 1998. Trade Unions in Indonesia are so powerful it enables them to create a huge strike by gathering millions of employees from all provinces in of Indonesia. This power needs to be realized by an Australian employer expecting to invest in Indonesia in order to create a healthy business. The key is to create an effective communication between the unions, employees, and employer.

Employment contract and Outsourcing

There are two variations of the contract system in Australia; a contract for service and contract of service. A contract of service is a contract with distance time, while in the contract for service there are no time limitations for a job (Green 1991, pp. 185). In 1990, the terms of contract for service and the impact of industrial deregulation on Australia increased casual jobs, part-time jobs and contemporary workers. Most employees in Australia are not extremely concern about their status; whether they are a casual, a part timer, or contemporary workers, as long as they get payed according to the contract. This is very different in Indonesia because status can be a problem despite the big salary. Based on my experience working in the Ministry of Manpower and Transmigration in Indonesia, for more than seven years as a Government Mediator Officer, I view the employee status as the main reason of the industrial dispute between the employees and the employers. The employees in Indonesia wish to have the contract service without time limitations. I strongly suggest that future



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Australian employers investing in Indonesia should consult Government officers from the Ministry of Manpower and Transmigration about such issues.

Another important issue is outsourcing. Since 1990, outsourcing is achieving big bang momentum (Morgan 1999). Outsourcing becomes the most popular strategic option for HR executives due to increasing pressure to compete in a global market and to resolving some organisation problems such as; cost production, HR services and management planning for employees. Outsourcing was not positively accepted by the employee and the issues have not been touched by the employment law regulations in Indonesia. It is strongly advised that an Australian employer wishing to invest in Indonesia, who plans to outsource their Indonesian employees, should consult with Government officers from the Ministry of Manpower and Transmigration to avoid possible conflict in the future.

Health & Safety and Pay Condition

Most of the standards regulating workplace health & safety are not high in Indonesia. An Australian employer wishing to invest in Indonesia do not need to concern too much about the health & safety regulation at the workplace in comparison to Australia, where the employer has to pay a very high cost when an accident occurs as a result of the company's health & safety regulations in Australia. In Indonesia, it is the insurance company chosen by the Government that will compensate the injured



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Party. As a result the employers do not need to have big budget for this. This insurance company is called *PT Jamsostek*.

Similar to Australia, Indonesia also has minimum wages. However, different cities/regions have different minimum wages. For example the minimum wages in DKI Jakarta, Java is 2.2 million rupiah (AUD 220) monthly, while in Ngawi, Java, the minimum wage is 900 rupiah (AUD 90) monthly. There is a 1.3 million rupiah (AUD 130) difference between the two cities. In other words, if a company wants to have greater profit and reduce cost, it is suggested to run its business in the lowest wage minimum area.

Termination of employment and workplace dispute resolution

In Indonesia, the employer has to give compensation every time an employment is terminated. The amount of compensation is decided by the Government, where it is calculated by the amount of time the employee has spent to work. In relation to the regulation between the terminations in Australia, the termination regulation in Indonesia is a lot simpler and the process is a lot faster. The main difference is an Indonesian employer cannot terminate without notice when a serious misconduct occurred, such as; theft, leaking documents or other serious misconducts that might endanger others. The conduct(s) must be investigated by the Court and the employer can only terminate the employee when proven guilty by the Court. This is based on



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the Decision by the Constitution Court no. 012/PUU/1/2003 enacted on October the 28th 2004. If there is an objection in terminating the employment between the two parties and it creates an industrial dispute, one of the Parties can sue the other Party to industrial relations Court. Before going to Court, the Parties need to go through a negotiation process supervised by a Mediator. In Indonesia the role of Mediator is very important. The Mediator is a Government officer selected by the Indonesian Government to resolve the industrial dispute. An Australian employer investing their business in Indonesia is advised to coordinate with the Mediator. Besides that, An Australian employer can use the Mediator as an advisor so that the relationship between the employer and employee remain harmonious and beneficial.

In conclusion the industrial relations system between Indonesia and Australia is very different. Australian businessmen wishing to invest in Indonesia need to understand completely the employment law and the working culture in Indonesia. The employer, employee, Unions and the Government needs to create a harmonious relationship in order to benefit all parties. I willingly spend my time to give information concerning Indonesian Industrial Relations and Employment Law to whom who wish to know more.

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