TRAVEL REPORT

Hon Jack Snelling MP
Speaker of the House of Assembly

Parliamentary delegation to Singapore & Vietnam

27 July – 5th August 2006
The objectives of the visit were to:-

1. Discuss and develop trade opportunities between Australia and Singapore and Australia and Vietnam

2. Meet with the Speaker and Members of the Parliament of Singapore to examine their parliamentary system and meet with political leaders in Vietnam

3. Investigate and encourage South Australia's Business Ambassadors Network program

4. Meet with officials from Australia's missions in Singapore and Vietnam

5. Liaise with business groups to establish future trade contacts

6. Investigate the observance of human rights in Vietnam and make representations for greater religious and political freedom in that country
SINGAPORE

The Hon Jack Snelling MP, Ms Lindsay Simmons MP and Mr Tung Ngo Personal Assistant to Hon Jack Snelling arrived in Singapore on Thursday 27th July 2006. The visit concluded on Monday 31st July 2006.

Mr Tung Ngo was the interpreter for the delegation.

THURSDAY 27 JULY 2006 – 6 pm - Arrived in Singapore

FRIDAY 28 JULY 2006

- MEETING WITH SA GOVERNMENT SINGAPORE OFFICE

Mr Tay Joo Soon is the Commercial Representative of the SA Government Singapore Office. He gave a briefing on the role of the office and also assisted with the organisation of this visit.

- MEETING WITH AUSTRALIAN HIGH COMMISSIONER AND REPRESENTATIVES FROM AUSTRALIAN HIGH COMMISSION

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Australian High Commission
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Singapore 258507
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Maurine Chong- Senior Trade Commissioner and Minister- Counsellor (Commercial) Australian Trade Commission
Australian High Commission
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Mr Miles Kupa, High Commissioner

Mr Kupa took up his appointment as High Commissioner to Singapore in July 2005.

He is a senior career diplomat with extensive experience in South-East Asia and most recently he served as Ambassador to Thailand (2000-04). Prior to this he was Ambassador to the Philippines (1996-99), served in Indonesia as Deputy Head of Mission (1986-88) and Ambassador to Iraq (1983-86).

In Canberra, Mr Kupa has held a range of senior positions in the Department of Foreign Affairs, including as Deputy Secretary (1999-2000), First Assistant Secretary of the South and South-East Division (1993-95), Assistant Secretary of the Foreign Affairs Branch of the Department of Prime Minister and Cabinet (1991) and head of the Office of the Minister for Foreign Affairs and Trade (1991-93).

Meeting summary

The High Commissioner, Myles Kupa, introduced his colleagues and welcomed the delegation to Singapore and hoped that it would be an enjoyable and productive visit.

Mr Kupa said that the Singaporean people are extremely focussed, determined and very forward thinking. However, they also realise that they need to be exceptionally competitive in today’s market.

He was pleased to say that the bi-lateral relationship with Australia is very good and that it is very constructive.

Mr Kupa mentioned that our defence links are very strong and that Singaporean troops do a lot of training in Australia. They do not train in South Australia at present. The relocation of a brigade of the Australian Army to South Australia may provide an
opportunity. There are also strong links with Australian police forces. This may be another area where South Australia may be able to foster closer ties with Singapore.

Australia is Singapore’s sixth largest trading partner with crude petroleum and food being Australia’s largest exports. Australia imports telecommunications and electronics products.

The Free Trade Agreement between Singapore and Australia has operated since 2004. There will be a review later this year and Australia is working to open up the market for the provision of legal services. Singapore sees itself as a trans-shipment hub. Ultimately, Singapore wants multilateral trade agreements; however, the country is realistic about securing bi-lateral agreements at present.

We were advised that there was a 6.5% growth of Singapore’s economy in 2005. The main growth area is education. The Government wants to establish Singapore as a centre for international education and also a centre for excellence in research and development.

Currently 2.15% of the national GDP is being spent on research and development with the aim to increase this to 3%. The Government has given a commitment of a further $12 million to be spent in this area over the next five years.

It was also mentioned that Singapore has very strong intellectual property laws.

Mr Kupa mentioned that a lot of money is currently being spent on attracting scientists to Singapore. Singapore accepts that it does not have the expertise it requires and must pay high salaries to entice research professionals to Singapore.

He also explained that Singapore is a regional hub. Once a business is established in Singapore, it is able to use that as a springboard to invest in other Asian countries. Singapore is an extremely good place to invest for Australians as it is a low risk country with a strong trading background.

South Australia’s trade with Singapore is strongest in the following areas:

1. Food and beverages - South Australian wines,
   - Maggie Beer food products

2. Defence - Tennex- (Armoured carriers) with further opportunities to expand

3. Education and information technology.

4. Biotic technology

Mr Kupa explained that national security is very important for Singapore and they have recently considerably increased the defence budget. This will provide market opportunities for South Australian based defence industries.
There is a massive amount of building as land is reclaimed. There is strong demand for people with building skills.

Mr Teh spoke of Invest Australia which was established in 1997. It is a one stop shop run by the Australian Government for investment enquiries and provides other advice to Singaporean companies wanting to do business with Australia.

Its role is to create investment interest and then facilitate the needs of the individual company and follow up on the actual projects. The organisation is targeting companies in particular areas.

Singapore is a hub for multinational corporations, making it a centre for Australian and Asian business. Ninety-four new investments were created in 2005 worth $16 million to Australia, including the heat treatment plant in Wingfield.

• MEETING WITH ECONOMIC DEVELOPMENT BOARD

Aylwin Tan- Deputy Director International Operations (Asia Pacific)
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Background

Singapore’s Economic Development Board (EDB) was formed in 1961 and is the main government agency which promotes investment.

Since that time the Economic Development Board has worked hard to stay at the forefront of the world’s most competitive economies. It is an open market economy with a global network and has a highly efficient and qualified workforce.

The Economic Development Board’s vision for the future is to ensure that Singapore remains a relevant and competitive hub for goods, services and information, by strengthening industry and identifying new growth areas.

Meeting summary

Mr Tan advised that finance, training and development, land development, industry development and manpower are the Board’s main areas of responsibility.

The Chair of the Economic Development Board is the Minister for Finance which makes it very powerful.

He said that in the 1990’s the Economic Development Board was asked to lead the expansion and regionalisation of Singapore and this program was run for 10 years.
Among its accomplishments is the building of electronics factories in Vietnam, Indonesia and China which now accounts for 10% of Vietnam’s exports and almost 50% of Indonesia’s exports. They were built on the principle that Singapore cannot just grow itself; it also has to assist the rest of the region to expand.

In the last 5 years, Singapore has spent a lot of effort persuading large companies to invest overseas (for example, Telecom). The Government has compensated companies that have lost monopoly rights.

Singapore has embarked on a series of privatisations of government companies, including its electricity assets.

Singapore is only 600 square kilometres in size and has a population of 4 million, so there is only so much market competition possible. Business is now as market driven as it possibly can be.

The Board’s main area of expertise is manufacturing which now accounts for 27% of GDP. Increasingly, the board has had to develop exportable services such as information technology, education and key industries including electronics, chemicals, biotechnology and precision engineering.

The current Board divides the world up into four main regions and has 19 offices throughout these regions.

The Asian focus only started in the last 5 years with the establishment of the following:

- 1,600 companies in China
- 1,099 companies in India
- 1,005 Australia/New Zealand companies
  (These are smaller in nature and employ only 10-20 people with the more established companies employing hundreds).

Mr Tan mentioned that there are 30,000 international companies in Singapore and that the EDB will only get involved in those companies that require motivation and direction.

Unemployment in Singapore is less than 3% and workers must be imported into the country to meet demand.

The Board is looking at opportunities to work with South Australia and is talking to SARDI at present.

Singapore has many research and development projects in agriculture such as rice, wood and aquaculture. Their industries also initiate growth by sending young refined disease free seedlings to other countries to grow, due to their shortage of land space.

Mr Tan mentioned that the top twenty IT companies in India have their headquarters in Singapore because it is seen as a country where business can easily be transacted,
even though the manufacturing occurs back in India. He also said that China had recently taken over from the US as Singapore's largest trading partner.

The EDB do not charge a fee to companies they assist, but there is the expectation that companies benefit Singapore.

- **MEETING WITH INTERNATIONAL ENTERPRISE SINGAPORE**

  **Winston Ho**  
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  **Sophia Ng**  
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**Meeting summary**

Mr Ho advised that International Enterprise Singapore comes under the Minister for Trade and Industry's portfolio and its purpose is to develop Singapore's external economic ring.

Its mission is to help Singapore based companies to grow and internationalise successfully and become world class brands. Their goal is to expand the foreign small to medium size business community and put in place a set of firm level business capabilities that will help companies overcome competition.
In 2005, the GDP was US$117 billion, which equates to approx S$194 billion.

He said that Singapore is in a strategic location – with the ability to reach a market of 2.8 billion people. It is only a few hours by air to most places in Asia and has easy water access providing increased opportunities for trade.

Mr Ho explained that the red tape required to start a business in Singapore is minimal compared to other countries. Singapore is home to 7,000 multinational companies and that there are approximately 1,000 foreign representative offices in Singapore, of which 43 are from Australia.

Ms Ng mentioned that Australia ranks as Singapore’s eleventh largest trading partner and that there was $19 billion of trade in 2005.

The establishment of the International Enterprise Hub Initiative is one of the most important initiatives to assist new businesses. It provides green lane facilitation, centre managers, training, creation of networking platforms, liaison support with government agencies and LEAP funding to help set up costs.

The International Enterprise Hub concentrates on smaller or middle (SME) size companies or companies wanting to use Singapore as a distribution centre to the world wide market and is heavily involved in events such as the Fine Food Festival which will be held in Melbourne the middle of September 2006.

Ms Ng mentioned that Tourism is a growing and significant industry, especially with the development of Sentosa Island which draws large numbers every year.

- **DINNER WITH INVESTORS IN SOUTH AUSTRALIA AT THE CHINA CLUB SINGAPORE**

  **Edward Tan**  
  Managing Director  
  Tai Say Imports- Export Pty Ltd

  Mr Tan is a food manufacturer in the process of setting up a new dry abalone processing plant in South Australia and expanding its investment in this State.

  **Mr Teo Cheng Woon**  
  Cockpit Hotel International Pty Ltd

  Mr Woon owns the Hotel Adelaide International and the Novotel Adelaide. He wants to expand into other areas, especially in tourism, wine, hotels, education and training.

  **Avryl Lattin - Third secretary (Political/Economic)**  
  Australian High Commission  
  25 Napier Road  
  Singapore 258507
Mr John William Hancock
Member of the South Australian Business Ambassador Network.

Mr Hancock was visiting from Thailand but has close contact with Singapore on regular basis.

Mr David Goh
President of the Adelaide University Alumni Association in Singapore

Mr Goh’s main interest is in education and attracting Singaporeans to the University of Adelaide.

The Hon Jack Snelling hosted a dinner with businessmen who had investments in South Australia. At the dinner, Mr Snelling gave a briefing the political and economic situation in South Australia. He emphasised South Australia’s political stability and the Government’s desire to encourage investment in the State. He spoke of the resources boom in South Australia and of the growth that will come from the Roxby Downs expansion and the frigate contract. In particular, he emphasised the bipartisan approach in South Australia on issues of trade and investment.

SUNDAY 30th JULY 2006

Visits to:

- SINGAPORE’S FOOD FESTIVAL 2006

The Singapore Food Festival is held in Singapore from 1 – 31 July and is now celebrating its 13th year.

The Food Festival attracts many tourists from neighbouring countries and overseas giving them the opportunity of tasting fine wines and delicious foods prepared by local and international chefs along with cooking classes and demonstrations.

As Singapore has a diverse population of Chinese, Indians, Malays and Eurasians this brings a rich array of tastes and flavours allowing everyone to experience cuisine unique to this country.

Locals and visitors to Singapore look forward to this annual event with enthusiasm.

- CHINATOWN HERITAGE CENTRE

The Chinatown Heritage Centre is a history museum dealing with the Chinese who have made their homes in Singapore.
Life of the Chinese in early Singapore was simple and most people lived in rented cubicles of shop houses, which were often overcrowded and disease-stricken.

The Chinatown Heritage Centre now occupies three of these newly restored shop houses. It houses memories and many stories of Singapore’s early Chinese immigrants.

Each level of the Centre takes you to a different time in the history of Chinatown which depicts the hard life of migrants resulting in many of them taking up smoking opium, gambling, prostitution and secret societies.

The Centre was re-created based on the recollections of former residents, giving visitors an authentic and personal account of life in Chinatown.

- **CIVILIAN WAR MEMORIAL**

The War Memorial is located in the east of the Padang and is dedicated to all those who perished during the Japanese occupation of Singapore from 1942 to 1945.

Four identical vertical pillars rise to a height of 92.5 metres which symbolises the shared experiences of the four major races of Singapore – Chinese, Malay, Indian and other races.

The remains of the unidentified war victims are buried beneath the monument and every year on the 15th February a memorial service is held to remember the victims of war.

- **SENTOSA ISLAND**

This island was once a fishing village known as Pulau Blakang Mati and later became a British military fortress until 1967. It was then handed back to the newly formed Singapore Government which decided to develop the island into a holiday resort for the locals and tourists alike.

The public were invited to put forward suggested names for the island and finally, the name Sentosa was selected, which means 'peace and tranquillity' in Malay.

Works for the development commenced in 1972 and it now provides numerous types of hotel accommodation and retreats as well as many recreational facilities including sea sports and golf. Transport to the island is either by car or bus, with the most popular being the cable car.

Since 1972, S$420 million in private investments and another S$500 million from Government funding has gone into developing the island.
ARRIVAL OF OTHER MEMBERS OF THE PARLIAMENTARY DELEGATION:

- Hon Michael Atkinson MP, Attorney-General, Minister for Multicultural Affairs
- Ms Vini Ciccarello MP Member for Norwood,
- Mr Hieu Van Le, Chairman of South Australian Multicultural and Ethnic Affairs Committee,
- Ms Sally Bartlett, Ministerial Adviser to Hon Michael Atkinson
- Mr Bill Denny Ministerial Adviser to Hon Michael Atkinson

MONDAY 31ST JULY 2006

- MEETING WITH THE SPEAKER OF THE PARLIAMENT OF SINGAPORE

Mr Abdullah Tarmugi
Speaker
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Dr Ong Chit Chung

Ms Ellen G.H. Lee (P.B.M.)
Member of Parliament for the Sembawang G.R.C. (Woodlands)
Notary Public, Commissioner for Oaths, Consultant
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Mr Hri Kumar
Member of Parliament
Bishan-Toa Payoh GRC
Republic of Singapore
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The Speaker, Mr Abdullah Tarmugi, welcomed the delegation to Singapore and said that he was elected Speaker of the Singaporean Parliament on 25 March, 2002. Mr Abdullah said that he had been Deputy Speaker from 1989 to 1993 before becoming
Minister-in-charge of Muslim Affairs in 1993. In 1996 Mr Abdullah was given the additional Ministerial portfolio of Minister for Community Development and Sports.

Jack Snelling introduced Mr J.S. Tay and Ms Serena Xie from the South Australian Government Representative Office to the Speaker and his colleagues.

The Speaker introduced Ms Ellen Lee to the group as a lawyer and one of a new generation of female MPs and also new MP and lawyer Mr Hri Kumar.

The Speaker advised that the Singaporean Parliament sat on average for two days a month apart from the March - April Budget sitting where it would usually sit for about 12 days.

The Speaker went on to say that Singapore really only needed part-time MPs because it only had two Opposition MPs and that legislation usually proceeded through the 1st, 2nd and 3rd reading stages in successive sitting days without delay. Occasionally controversial legislation such as abortion would be referred to a Parliamentary Committee.

Four of Singapore’s MPs are not elected by the people of Singapore to Parliament but are instead nominated to become MPs by a Parliamentary Committee. Nominations to become Members of Parliament were submitted to the Parliamentary Committee by various interest groups such as the Architects’ Association and labour organisations.

The Speaker then said that Singapore’s Parliament was currently constructing a see-through screen between the Speaker’s Gallery and the Chamber in order to prevent a repeat of the incident where a member of the public hurled powder into the Chamber from the Speaker’s Gallery. The Speaker said that the decision to construct the screen had been difficult to make because Parliament was supposed to be the people’s chamber.

Dr Chung mentioned that he was the Chair of the Singapore Parliament’s Australian / Singapore friendship group. Dr Chung then said that the group was very active and hoped to send a delegation to Australia in the near future. Michael Atkinson urged Dr Chung to visit Adelaide and said that he and other members of the group would welcome the chance to show the Friendship Group parts of South Australia.

Lindsay Simmons asked Ms Lee about whether it was difficult to balance work and family life in Singapore. Ms Lee said that this would be made somewhat easier because Parliament would not be sitting until November and that she would be able to concentrate on practicing as a Solicitor. Ms Lee indicated that she would meet constituents at the Singaporean equivalent of an Australian MP’s electorate office once a week.

Ms Lee then said that she was interested in Jack Snelling being the youngest Speaker in the South Australian Parliament. Jack Snelling said that the Speaker nearest to him in age had been John Shepherd, who had been Speaker of the South Australian Parliament during part of the 1930s.
Dr Chung asked who was the governing party in the South Australian Parliament and how many seats did it have. Michael Atkinson said that South Australia was governed by the only Coalition Government in Australia’s history between the Australian Labor Party and the National Party and that the Government had a National Party M.P. as one of its Ministers.

Jack Snelling said that South Australia had a bicameral Parliament and that owing to the Upper House or Legislative Council being elected by proportional representation it was difficult for any political party to obtain a majority. The Government therefore relied on the minor parties for its legislation to pass through the Legislative Council.

Mr Kumar asked when South Australia introduced proportional representation. Michael Atkinson said it had been introduced during the early 1970s and that no South Australian Government had had a majority in the Legislative Council since then. Michael Atkinson said that before the introduction of proportional representation to the Legislative Council its franchise had been severely restricted based upon whether or not an elector owned land. South Australia had had the bizarre situation where its then Chief Justice was ineligible to vote for the Legislative Council because he did not own property of sufficient value.

Hieu Van Le then explained the role of the South Australian Multicultural Affairs Commission to the meeting. Ms Lee asked which ethnicities had the largest number of people in South Australia. Hieu Van Le said that the largest ethnic community was made up of Italian-Australians, followed by Greek-Australians, Vietnamese-Australians and then Chinese-Australians.

Ms Lee asked Vini Ciccarello and Lindsay Simmons about female representation in the South Australian Parliament. Vini Ciccarello spoke about the growth in numbers of female MPs in the South Australian Parliament in recent years and then said that almost 50% of South Australian Government MPs were women. Lindsay Simmons said that a few female MPs had had children in office since 1997.

Jack Snelling said that it was interesting to see Singapore going into the future with the growth of China and India. Was this a good thing for Singapore or were China and India economic competitors. Dr Chung said that Singapore wouldn’t want to turn back the clock and that both China and India were growing economic powerhouses. Although Singapore was a small country it was both nimble and flexible and could seize a situation and make the best of it. Singapore thought that economic security was an important investment and was partly owing to the proportion of its population who were of Chinese ethnicity, take business into China. Similarly, a portion of Singapore’s populace was of Indian ethnicity and Singapore was in the practice of working with both India and China.

Jack Snelling asked how Australia was viewed by Singapore. Dr Chung said Australia was a very good partner for Singapore and that they would like Australia to play an even bigger balancing role in the strategic landscape of southeast Asia.

Vini Ciccarello asked Dr Chung about his opinion of the invasion of Iraq by the United States. Dr Chung said that although Singapore was a small country it had sent aircrafts and ships to Iraq. Singapore greatly appreciated Australia’s position of
sending many troops to Iraq. Dr Chung went on to say that Singapore welcomed United States involvement in the region and that anyone who supported the United States would be welcome in Singapore.

Lindsay Simmons asked about Singapore’s land reclamation program. Dr Chung said that because Singapore was so small it could only really expand sideways.

The Speaker mentioned that Singapore needed to import water and spoke about water recycling and desalinisation from sewage plants. Jack Snelling spoke about Australia’s Toowoomba plant and the psychological problem Australians had with drinking recycled water from waste products even though tests showed the recycled water was seven times cleaner than tap water.

Vini Ciccarello asked about whether the Infrastructure Minister or his or her Parliamentary Committee was responsible for giving approval for major infrastructure projects. Dr Chung said that the Minister, not his Parliamentary Committee was the approving authority although the Minister could work in partnership with the Committee, if he wished.

Michael Atkinson said that many Australians had told him how much they admired the discipline and order of Singapore’s society, seeing in it a past golden age of Australia. Mr Kumar said that authorities were somewhat concerned that a growing number of Singapore’s students would go to Australia to study and like it so much that they wanted to stay there permanently.

Mr Kumar asked whether Australia had investment criteria for awarding permanent residency to foreigners. Jack Snelling said that although Australia accepted business migrants at the moment most migrants to Australia fell into the skilled migrant category.
Background

The Vietnamese Chamber of Commerce and Industry (V.C.C.I.) was established in 1963 by a Prime Ministerial decree and is a national organisation that assembles and represents business, employers and business associations of all economic sectors of Vietnam. The purpose of the V.C.C.I. is to protect and help businesses, to contribute to the social development of the country and to promote economic, commercial and technological co-operations between Vietnam and the rest of the world. The V.C.C.I. is an independent, non-profit organisation with the status of a legal entity and operates with financial autonomy.

The V.C.C.I. acts as a conduit between the Vietnamese Government and businesses through regular forums, seminars and workshops aimed at developing better communication between them.

The V.C.C.I. also takes part in formulating and implementing Vietnam’s socio-economic development strategies.

Other functions of the V.C.C.I. include:

- organising seminars, forums and business meetings at an international as well as a national level;
- receiving foreign business and trade missions;
- organising trade and investment promotion activities and international business missions;
- providing supportive services to members to help develop their business in both domestic and overseas markets;
- providing an information and consultancy service on trade and investment policies and opportunities;
- providing opportunities to help small and medium size businesses and women in business;
- co-ordinating with concerned authorities to represent and protect employers’ interests and help them deal with labour issues;
- give training to businesses in management, marketing, international trade and human resources;
- issue certificates of origin and the organisation of a registry of intellectual property rights.
The V.C.C.I. is also actively involved with social programs such as youth scholarship, low-income housing development and sporting and cultural events.

The V.C.C.I.’s head office is in Hanoi and it has eight regional offices.

**Meeting Summary**

Mr Vo Tan Thanh, the General Director of the V.C.C.I., welcomed the group to Saigon and said that Vietnam had recently completed the 10th General Meeting of the Communist Party and elected a new generation of young energetic leaders who he hoped would be determined to liberalise the economy.

Mr Thanh went on to say that Vietnam had been moving towards a market economy since the 6th National General Meeting of the Communist Party of Vietnam, held in 1986. The Vietnamese economy had grown quite well since then, particularly after 1996, when the average growth had been 7.5%. The first six months of 2006 had continued in this positive outlook for the economy with economic growth levels at 7.4%. The industry and construction areas had a 9% gross domestic product in 2005.

The delegation asked whether the recent labour strikes had affected business confidence and dampened Vietnam’s gross domestic product. Mr Thanh replied that the recent strikes that occurred during late 2005 and early 2006 had been led by workers from foreign investment companies in response to what they said was the tardiness of the Vietnamese Government in releasing its minimum wage policies. The strikes had died down considerably after the Vietnamese Government issued the minimum wage policies and had not seemed to have affected either the economy in general or the growth of exports in particular.

Mr Thanh said that people had predicted that one of the consequences of the strikes had been a slowing of foreign investment in Vietnam but foreign investment had continued to grow. Atri-lateral committee, including unions, Government representatives and industry had been established to work through issues revealed by the strikes.

Mr Thanh went on to say that the United States had set a target of investing US $4 billion in Vietnam during 2006 and had already invested US $2.26 billion during the first half of the year.

The delegation asked whether the V.C.C.I. represented local businesses only. Mr Thanh replied that the V.C.C.I. represented any company doing business in Vietnam, whether local or not.

Mr Thanh said that the relationship between Vietnam and Australian was very good, with Vietnam exporting A$2.5 billion to Australia last year while importing products from Australia worth a total of about A$498 million. Vietnam’s major exports to Australia included furniture, clothing and seafood with 9.38 million litres of crude oil being exported to Australia in 2005. Vietnam’s major imports to Australia included copper, aluminium and coffee.
The delegation asked whether Vietnam was more than sufficient in fuel. Mr Thanh said that Vietnam did not have the industry to refine crude oil and therefore had to export refined oil. Vietnam was, however, building an oil refinery in central Vietnam and that hopefully Vietnam would soon be in a position where it wouldn’t need to import refined oil and may even be able to start exporting refined oil.

The delegation asked about the progress of Vietnam’s move towards membership of the World Trade Organisation (W.T.O.). Mr Thanh said that the multilateral discussions were almost complete and that Vietnam would be joining the W.T.O. just before the meeting of the Asia-Pacific Economic Communication forum (APEC). Mr Thanh went on to say that both Houses of the American Parliament had been very supportive and that the United States Congress had voted to normalise commercial and business deals with Vietnam on 27 June, 2006 and would issue a directive to this effect in September. If all continued to go smoothly Vietnam would be joining the World Trade Organisation on 10 October, 2006.

The delegation asked whether the compliance issues had been resolved. Mr Thanh said that Vietnam has had a lot of difficulties that it has had to overcome to receive the advantages of W.T.O. membership. A challenge for Vietnam was that it was not as strong as it could be in terms of business competitiveness and that the Vietnamese Parliament was currently making lots of legislative changes and adjusting economic processes to meet those challenges.

Mr Thanh went on to say that Vietnam was held in high regard by the United States because it had complied with everything asked of Vietnam when it joined the Asian bilaterals. Vietnam would also comply with every thing asked of it by the W.T.O.

Expansion of Infrastructure

Mr Thanh said that although Vietnam did not have a water shortage, thanks to its many sources of water, its metropolitan distribution system was very old and full of leaks. The Vietnamese Government was making the efficient working of the water distribution system a priority. The Government was particularly concerned with improving the quality of life for people living in the poorer regional areas of Vietnam such as the Mekong Delta.

The Vietnamese Government and foreign aid, not private business, was responsible for most of the infrastructure construction in rural Vietnam. Housing construction, however, was mainly being funded by private businesses.

The delegation asked whether there were plans to improve the roads in Saigon for the time in the not too distant future when the economy had grown to such an extent that many more people would be driving cars instead of riding bikes.

Mr Thanh said that this was one of the most important challenges facing Saigon and that it must be resolved in the near future because the city was expanding. Mr Thanh said that we had probably noticed that work was being done on expanding the road from Saigon Airport to the city. The Vietnamese Government was working with the German, Russian and Japanese Governments with the aim of beginning to build an underground train system in Saigon within five to 10 years. It was important that
Vietnam find strong technologically advanced partners from the private sector to help with this work.

Mr Thanh went on to mention that we would have noticed the multiplicity of electricity and TV wires, as well as phone cables, overhanging the streets of Saigon and that there were moves afoot, as with some of the older Japanese cities, to transfer the wires underground. Saigon’s new business centres, for example, did not have overhanging wires.

The delegation asked whether Vietnamese companies were looking at alternative power sources such as wind or solar power generation. Mr Thanh said that Vietnam’s main source of power generation was hydroelectricity, as well as gas, coal and petrol. Vietnam was one of the world’s major exporters of coal and gas and that he expected Vietnam to have built a nuclear power plant by 2015.

The delegation asked whether Vietnam would be likely to buy the uranium needed for such a venture from Australia. Mr Thanh said that was quite likely but that they were currently preoccupied with ensuring the safety aspects of the construction such a plant and were currently engaged in talks with Germany, Russia and France to that effect.

The delegation asked about the importance of tourism to Vietnam’s economy. Mr Thanh replied that tourism was of vital importance to Vietnam’s economy and that there had been four million tourists to Vietnam during the past year. The Vietnamese people were very welcoming towards tourists but one weakness they were working hard to overcome was a lack of infrastructure. Investment in better infrastructure such as better roads was therefore significant and a major source of development.

Mr Thanh said that the number of tourists from Australia had increased by 20% during the first quarter of 2006. Tourists from Italy, Germany and France were also visiting Vietnam in increasing numbers as were tourists from America, Taiwan and Japan. Vietnam had a very long coastline which was very attractive to many tourists and many European tourists liked to travel from Hanoi to Saigon by road.

WEDNESDAY 2nd AUGUST 2006
Saigon (Ho Chi Minh City)

- ALL-MISSION BRIEFING BY THE AUSTRALIAN CONSULATE-GENERAL, MR MAL SKELLY

Mal Skelly- Consul General in Hoi Chi Minh City.
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Biography
Mal Skelly, Consul-General

Mr Skelly is a senior staff member of the Department of Foreign Affairs and Trade and, before his appointment as Consul-General to Saigon (Ho Chi Minh City), was Assistant Secretary, Information and Communication Technology Branch.
Mr Skelly has held a variety of positions in Canberra including Director, Arabian Peninsula, Iran and Iraq Section (1994-1997), Director, Financial Management Section (1990-1994), Executive Officer, Pay and Conditions Section (1986-1987), Executive Officer, Overseas Living Allowances Taskforce (1985-1986), Executive Officer, Organisational and Management Review Section, (1984-1985), and Desk Officer Internal and Overseas Audit Section (1975). Mr Skelly joined the Department of Foreign Affairs as a Consular and Administrative Trainee in 1970.

Meeting Summary

Mr Skelly welcomed the group to Ho Chi Minh City (Saigon) and said that there were about seven million people living in Saigon including about one thousand Australians. Mr Skelly said that he expected the numbers of Australians living in Saigon to increase later in the year after the launch of Jetstar’s promised thrice-weekly planes to Vietnam.

Australia, under the auspices of AusAid, the headquarters of which is in the same building as the Australian Consulate, has spent about $80 Australian dollars this year on infrastructure such as water and sewage systems in Vietnam’s poverty-stricken far-flung provinces such as the Mekong Delta. Australia did not spend very much aid money in Ho Chi Minh City because it is one of the most prosperous parts of Vietnam.

Mr Skelly went on to say that the Vietnamese government and people have a very positive attitude towards Australia mainly because Australia was one of the first countries to re-establish relations back in 1975 at the end of the war. The Vietnamese people were also grateful to Australia because of its construction of the My Thuan Bridge over the Mekong River.

The presence of some major Australian companies in Vietnam such as QBE, Fosters, Elders, ANZ was helping to give smaller Australian businesses the confidence to operate in Vietnam.

Mr Skelly said that one of the few negatives about the relationship between Australia and Vietnam was the Vietnamese Government’s understandable concern about the relatively high number of Australians who were committing crimes in Vietnam. There are currently 15 Australians in jail for drug-related offences, 12-13 of which were serving long term sentences with one awaiting the death penalty. Two Australians have been arrested for narcotic offences and are awaiting trial. They are all Vietnamese ex patriots.

Australia is currently looking at developing a similar prisoner-exchange treaty with Vietnam as we have with Thailand. Although the prisoners in Vietnamese prisons are separated from their families in Australia many of the prisoners say that prison conditions are better in Vietnam than in Australia and would not want to return to Australia to serve their sentences.

Mr Skelly went on to say that although Australians sentenced to death can appeal to the Vietnamese Government for clemency the death penalty for drug trafficking is
nearly always carried out. Even if clemency is granted the prisoner will be sentenced to life imprisonment. In Vietnam, life imprisonment as the result of a successful appeal for clemency, unlike the definition of life imprisonment in Australia, means literally spending the rest of your life in gaol with no possibility of parole.

While people who are found in possession of 600 grams of heroin or more are automatically given the death penalty, many drug couriers have recently been arrested with only 500 grams of heroin in their possession. The Vietnamese authorities may be considering lowering the heroin possession threshold that attracts an automatic death sentence as a result.

Mr Skelly said that the Vietnamese Government has an annual amnesty for some types of offences and that a life sentence is the equivalent of 25 years in gaol. Penalties for other crimes are harsh with someone recently receiving a year’s gaol sentence for stealing his girlfriend’s bike.

There was hardly any violent crime involving Westerners in Vietnam compared with the rest of Asia and there also appeared to be little risk of terrorism.

The Vietnamese Government keeps detailed scrutiny on its population and it is forbidden to move house without notifying the authorities. Mr Skelly said that this was good in a way because Vietnam had the best response to the bird flu virus in the Asia in terms of getting the message about bird flu prevention out to its farmers owing to the prior existence of these administrative structures.

Simon Hurditch - Immigration Department

Mr Hurditch advised the group that family migration from Vietnam to Australia occupied a lot of time as Vietnam has the fifth largest number of seekers of immigration to Australia in the world after countries such as UK and Shanghai which deals with the whole of China.

There has been a 30% increase in the number of Vietnamese applicants for student visas to study in Australia in the past year, many of which were secondary-school aged students. The Consulate finds that there is a high risk case load for immigration as quite a lot of fraud exists with families claiming relationships that are false. There was also a growing problem with Vietnamese workers in Australia who had been granted long-stay work visas. It was challenging assessing the skills levels of applicants for long-stay work visas. For example, someone who had worked in an abattoir for many years in Vietnam might be unsuitable to work in Australian abattoirs because abattoir work in Vietnam did not meet Australian standards.

The high incidence of tuberculosis and increasing number of people suffering from HIV and Hepatitis was the cause of the rejection of many applications to immigrate to Australia.

The Vietnamese Government is tightening its Marriage Act as a result of Vietnamese brides often becoming victims of domestic violence after leaving Vietnam. The proposed changes have been driven by a series of complaints from Vietnamese brides.
who had immigrated to Korea. Vietnamese women who marry Australian citizens and experience domestic violence within two years of the wedding are permitted to remain in Australia and are therefore in a comparatively more fortunate position. It is often difficult from the Consulate’s perspective to sort through the spouse migration process to ascertain who is genuine and who is not.

**Garry Kane - First Secretary (Immigration Compliance)**

Mr Kane said that his role as an Immigration Compliance Officer began in 2004 as part of the Federal Government’s response to the 2003 arrival of about 53 Vietnamese boat people at Port Hedland. Border protection and illegal immigration is an issue for both Vietnamese and Australian governments. Therefore they work together to counteract this practice- smuggling and fraud is also a serious issue.

Mr Kane said the geography of Vietnam such as the myriad paths of the Mekong River Delta made it difficult to police the departure of unauthorised boats and that part of his role was to work at exchanging information with the local Vietnamese authorities about possible unauthorised river traffic.

By far the greatest instances of non-compliance with Australia’s immigration laws, however, involved Vietnamese people flying to Australia and then overstaying their visas. Part of Mr Kane’s job was to scrutinise immigration applications and try to work out which types of applicants would be more likely to provide fake documents to obtain a visitor’s visa to Australia.

Mr Kane went on to say that sometimes people with genuine visas were involved in fraudulent activities. The Consulate helps Vietnam to protect its land and sea borders. Again, it is in Australia’s interest for smuggling and human trafficking to be stopped as Australia is one of the main final destinations.

Mr Kane said that much of the Vietnamese trafficking to Australia involved women who were deceived by fake labour hire companies into thinking that they had received legitimate work offers in Australia. Once in Australia these women were forced into prostitution.

Vietnam had a Memorandum of Understanding with Australia about the repatriation of Vietnamese citizens who had been deported from Australia for committing various crimes. Mr Kane would often meet the deportees at the airport and try to see that they had a smooth transition back into life in Vietnam. All evidence showed that the deportees from Australia were accepted back into the Vietnamese community.

Mr Kane said that the increase in economic activity in Vietnam will probably see an increase in visas and immigration applications. For example recently a group of 19 people travelled from North Vietnam to Indonesia and, although they had no need for a visa to enter Indonesia, came to the attention of the Indonesian authorities after being discovered in possession of the 1996 denominations of the US dollar which are banned in Indonesia.
Ms Tran Thu Huong- Deputy Director (Business Development)
Australian Education International- Vietnam

Ms Huong said that Australian Education International had two offices in Vietnam, one in Saigon and the other in Hanoi. The Government relationship is very important, as it is a business development i.e the sale of education in Australia as a product.

Saigon was the biggest education fee-paying city in Vietnam. The marketing of education Adelaide has been strong and is doing well. There has been good coverage from the media- a local Vietnamese journalist went over to Adelaide in March and has reported back very positively about South Australia. Three members of another television team will be travelling to South Australia later this year.

The Recruitment of Vietnamese students is therefore strong and the recent 30% increase is seen as sustainable.

Ms Huong said that Australian Education International had just finished a three month promotion of South Australia. There is still a great opportunity for the promotion of SA TAFE courses as a gap in trade skills remains a problem for Vietnam.

Mr James Myers
Trade Commissioner
Consul (Commercial)
Australian Consulate General

Ms Kym Debenham, Vice-Consul, Economic Trade

Ms Debenham spoke about the May 2006 launch of the Vietnam Provincial Competitiveness Index which was designed in tandem with the Vietnam Chamber of Commerce and Industry and the Vietnam Competitiveness Initiative (VNCI) The initiative, which was funded by the U.S. Agency for International Development, surveyed 6300 Vietnamese firms’ dealings with local municipalities across all 64 provinces of Vietnam. The aim of the survey was to establish which provinces helped encourage the growth of small businesses by looking at whether particular provinces had, for example, a low number of labour strikes or offered a one-stop shop to obtain a business licence, or had an excessive amount of local government fees and regulations for businesses.

Ms Debenham said that Ho Chi Minh City province (Saigon) was performing well economically producing 39% of Vietnam’s exports while containing only 7% of the total Vietnamese population. Saigon has attracted 25.5 % of foreign investment in Vietnam since 1988. It accounts for 20% of the whole of Vietnam’s GDP.

Although the fertile fields of the Mekong River Delta Province had meant that the area had traditionally been viewed as the rice bowl of Vietnam it suffered from a severe lack of infrastructure that could be used to quickly send foodstuffs out of the country. Ho Chi Minh City (Saigon) had traditionally been used as the gateway to sending produce from the Mekong River Delta Province out of the country. There were now, however, increased moves by the Mekong Delta Province to export
produce directly rather than via Ho Chi Minh City. Interestingly, Ms Debenham went on to say that Ho Chi Minh City would be running a trade deficit were it not for its export of crude oil produced in other provinces such as Bun Hao.

Ms Debenham advised that when Vietnam became a member of the World Trade Organisation many of the incentives offered to business would have to be abolished so that there would be a level playing field. Vietnamese companies may look to Australia for guidance about how to do business.

Mr Myers said that the Vietnamese Prime Minister had decreed recently that the provinces should stop undercutting each other in order to attract business investment. Unlike Australia, many of the provinces did not differentiate by tailoring their wares to the different markets and different conditions in different provinces but merely copied what worked in other provinces, which may or may not work in different areas.

Ho Chi Minh City (Saigon) has a five year plan from 2006 to 2010 to move away from its reliance on labour intensive industries in favour of high tech industries. The reason for the planned move away from labour intensive industries was because it was becoming too expensive for such industries to operate in Saigon. Despite this the production of footwear and leather goods had increased in Saigon in recent times. As part of this five year plan Ho Chi Minh City province was attempting to encourage the development of niche agricultural industries that can be contained in small areas such as ornamental fish and bonsai.

Ms Debenham went on to say that an Australian company called Greenfield Industries, which, has set up a successful beef cattle industry in one of the provinces slightly to the north of Ho Chi Minh City contains about 60 to 70% of Vietnam’s cows in one company.

**Australian investment in Vietnam**

Mr Myers said that Australia is the 18th largest foreign investor in Vietnam and that Vietnam is seen as Asia’s next economic frontier.

Vietnam has an emerging middle class. Although the average amount of money earned per month in Vietnam is US$100 per month, new motorbikes cost about US$5000 and are the main method of transport with millions travelling through Saigon every day.

Vietnam still has a cash dominated society. It is imperative for business people wanting to do business with Vietnam to visit the country. It is almost impossible to do business with Vietnam from Australia because business is still based on personal relationships and the old fashioned values of sharing tea and a meal.

Although Vietnam is still very traditional in some ways it is also quite modern in its approach to business. Vietnam’s capital, Hanoi, is important for business services and anything that requires Government approval. Vietnam does, however, have a high corruption index which businesses see as a risk. The Vietnamese Government is
well aware of this and trying to fix the problem. On the other hand, Vietnam is politically very stable so there is little if any risks for business on that front.

The construction sector is booming in Vietnam, as is tourism. The food and beverage industries including Food Adelaide are also doing well. Other productive business areas include retail, marketing and business services, corporate training and education.

Mr Myers went on to say that there is an emerging consumer class in Vietnam and that education is one of the things that the Vietnamese people would like to buy from us. Almost 60% of the Vietnamese people were aged under 30.

Confectionery sales were predicted to grow by 35% in the next four years and we were also seeing the establishment of large modern retail and wholesale outlets such as Cora and MetroCash.

Mr Myers said that part of AusTrade’s role was to help business people make sense of the multiple messages they were getting from the market. Examples of South Australian businesses that were operating well in Vietnam included Philmac Ltd and Elders Ltd.

There were only four franchises in Vietnam, two of which were held by Australians. The Vietnamese Government had recently opened up the law about business franchises and Mr Myers would be travelling to Sydney at the end of August, 2006 to explain the new franchising opportunities in Vietnam. Mr Myers said that he also hoped to travel to Melbourne and Adelaide for the same purpose.

One of the keys to successful business development in Vietnam was that a product that was successful in China and India would probably also work in Vietnam.

Mr Myers and Ms Debenham concluded their presentation by saying that AusTrade was there to help facilitate trade with Vietnam and that AusTrade currently had 120 projects with a total registered revenue of A$666 million.

- MEETING WITH VIETNAMESE MARKETING ASSOCIATION

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Vice President- General Secretary
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Background

The Vietnam Marketing Association (V.M.A.) is a non-government and non-profit organisation of marketing researchers, trainers, consultants and practitioners in Vietnam.
The aim of the V.M.A. is to gather these researchers, trainers and consultants as well as business entrepreneurs to exchange ideas, improve their professionalism and expand business both domestically and abroad.

The V.M.A. is sponsored by the Government Price Committee and operates according to the Committee's charter by representing the interests of its members to Government agencies. The V.M.A. is a legal entity with its own seal and bank accounts and its head office is based in Saigon.

The V.M.A. regularly gives its members updated information about business markets and any new initiatives that its members might use to help their careers. It is important to the V.M.A. that it acts as a mediator between different professional groups of members about attempts to eliminate unfair competition. The V.M.A. also hosts conferences, seminars and workshops where its members can exchange their academic findings and research experiences.

Meeting Summary

We have recently signed a memorandum of understanding confirming the relationship between South Australia and Vietnamese Marketing Association.

Dr Que gave the delegation an official welcome and thanked us for coming.

He believes that there were great possibilities for future opportunities for South Australia and Vietnamese business.

VMA is a non-government organisation established in 2002. It has 500 members across Vietnam in both the state and private sector but mostly in the private sector.

The chair of Vietnamese Marketing Association is a former Minister of Planning and Investment and Prime Ministerial adviser.

Their first goal is to help Vietnamese people widen and apply their knowledge of marketing. They publish a monthly magazine and distribute 10,000 copies and they also organise lectures and training sessions.

Secondly they help Vietnamese enterprises build, develop and maintain themselves effectively and efficiently. They organise events and cooperate with other International Marketing Associations to the benefit of their members.

They would like to cooperate with S.A through Business matching.

They provide Vietnamese SME’s with management Consultant services, conduct market research for S.A enterprises, co-organise lectures, workshops, seminars and training sessions. They would also like to organise possible delegations to and from Vietnam.

Mr Nghia is the Vice President, Chief of Consultant Board and Vietnam Marketing Association and is a close friend of David Deans from Adelaide.
VMA would also like to co-operate with the Australia Vietnam Chamber of Commerce and also establish a Vietnam Marketing Institute. They would also like to encourage Australians to write for their magazine as guest business writers.

Mr Nghia used to work for B.L Hardy who now has a strong foot hold in Vietnam and therefore has a very soft spot for South Australia.

The Vietnamese Marketing Association has a strong link with the Vietnamese Chamber of Commerce and Industry.

Their work complements each other and they are not in competition with each other because VCCI is a government organisation and VMA is a non-government organisation.

Most Vietnamese companies do not have permanent lawyers working for them at present. Business is done on trust and many quite big companies who want to trade internationally get into trouble because they don’t understand the legal requirements. Vietnam is about to join the W.T.O (World Trade Organisation) which may increase awareness of need.

Some Australian companies are providing legal advice to Vietnamese companies and this need will expand as more Vietnamese company’s trade on the international market. There are great opportunities here for Australian lawyers to act as advisers.

- LUNCH WITH SOUTH AUSTRALIAN BUSINESS AMBASSADORS NETWORK

The Australian Consul-General, Mr Mal Skelly hosted a lunch for members of the Delegation and also the South Australian Business Ambassadors Network at his residence.

The purpose of the lunch was to update the Business Ambassadors on the current economic developments in South Australia and to meet with representatives of the Vietnam Chamber of Commerce and Industry and also representatives of Australian businesses operating in HCMC.

Mr Snelling mentioned the Government’s desire to encourage investment in the State and the importance of having Business Ambassadors to assist and promote business opportunities for both countries.

A number of contacts were made with people who were interested in becoming South Australian Business Ambassadors.

THURSDAY 3RD AUGUST 2006

Hanoi
MEETING WITH THE AUSTRALIAN AMBASSADOR TO VIETNAM
MR BILL TWEDDELL

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Damien Coke
Third Secretary
Australian Embassy

Biography

Mr Tweddell is a senior career officer with the Department of Foreign Affairs and Trade.

Before his appointment as Ambassador to Vietnam, he served as Deputy High Commissioner in London, a position he held since January 2002. Mr Tweddell has extensive experience in Asia. He was Consul-General to Hong Kong and Macau (1999-2001) and High Commissioner to Sri Lanka and the Maldives (1995-1996). He has also served overseas as First Secretary, Counsellor and then Deputy High Commissioner in New Delhi (1986-1991), Second Secretary, Athens (1981-1983), and Third Secretary, Dhaka (1976-1978).

In Canberra, Mr Tweddell has held the positions of First Assistant Secretary, Public Affairs and Consular Division (1998-1999), Chief of Staff and Principal Adviser to the Minister for Foreign Affairs (1996-1998), Director, Mr Tweddell holds Bachelor of Arts and Bachelor of Economics degrees from James Cook University. He is married with two children.

Meeting Summary

The Ambassador welcomed us to Hanoi and said that Australia, by being one of the first countries in the world to re-establish ties with Vietnam after the war in 1973 was also one of the first countries to be permitted by the Vietnamese Government to establish an Ambassador in 1975. The Ambassador went on to say that the United States had not been able to establish an Ambassador in Vietnam until 1977.

The Ambassador said that Australia quickly established a positive relationship with Vietnam since the mid 1970s in areas such as trade, education, development assistance. The Embassy had 95 staff based in Vietnam, of which 75 were in Saigon (Ho Chi Minh City). The large number of Foreign Affairs staff in Vietnam was about the same as Australia’s presence in Great Britain and other large countries. Several
other Australian Government agencies also had a presence in Vietnam including the Department of Defence, the Immigration Department and the Australian Federal Police.

Vietnam was Australia's biggest aid partner after the Solomon Islands and Papua New Guinea while the only 100% foreign-owned university in Vietnam was owned by Australians.

The Vietnamese people were still enormously grateful to Australia for its construction of the My Thuan Bridge across the Mekong River. The Ambassador said construction of the bridge had finished in 2000 and that since it was the first bridge to cross the Mekong River its completion had had an enormous effect on not just the lives of people living in the Mekong River area but on improving trade.

The Ambassador said that Australia was developing a White Paper about aid development and assistance aimed at implementing aid with the co-operation of the Vietnamese Government as opposed to the previous way of contacting agencies directly.

The National Assembly has recently been particularly successful in scrutinising bills as well as Ministries. The Tenth Communist Party Congress had seen somewhat of a generational change in key leadership positions such as a new Prime Minister, President and Chairman of the National Assembly. An example of the importance placed by the Vietnamese Government on its relationships with other countries was that the new Foreign Minister, unlike his predecessor, was the Deputy Prime Minister and a member of the Politburo.

The Ambassador went on to say that the influx of younger people in key Government leadership positions fitted in well with the emergence of a younger technocrat consumer class in Vietnam. He said that although the economic situation was somewhat similar to that of China in that both countries had Communist Governments, both were at peace, while both were delivering relative prosperity. The Ambassador said that the prosperity had not been delivered uniformly across Vietnam and that the Vietnamese Government was working hard at fixing this problem.

The Tenth Vietnamese Communist Party Congress had also ratified the loosening of the previously hard-line rule that Communist Party members not become involved in business.

The delegation asked the Ambassador about the eligibility criteria for people who wanted to join the Communist Party. The Ambassador said that although he wasn't aware of all of the rules, some were that your family should all be Communist Party members and that your ancestors should only have not fought against the French or Americans but maintained a continuous link with the Communist Party.

Members of the delegation mentioned heard of a Vietnamese woman who, although most of her relatives were Communist Party members, had been refused Communist Party membership because she had married a Viet Q.
The delegation asked for information about the continuing human rights talks between Australia and Vietnam. Mr Coke said that he had attended a human rights dialogue in Canberra in December, 2005, at which the Vietnamese Government representatives had questioned Australian officials about the progress of improvements to the living conditions of Australia’s indigenous peoples.

The delegation spoke about a list of Vietnamese people who had been either placed under house arrest by the Vietnamese Government or had their freedom of movement severely restricted. Damien Coke said that 11 names had been removed from that list in the last two years and, although it would be pompous to say that this was a result of Australian officials continuing to bring the list to the attention of the Vietnamese authorities, Australia should keep bringing our concerns about it to the attention of the Vietnamese Government. Australia had recently submitted a revised list to the Vietnamese Government in preparation for Vietnam’s 2 September, National Day amnesty in accordance with article 88 of the Criminal Code.

The Ambassador said that a Vietnamese doctor who had translated an American article entitled “What is Democracy” and published it on the Internet had been sentenced to four years’ gaol for “sabotaging national unity.”

The delegation observed that the Vietnamese Government had recruited some overseas Vietnamese ex-patriots who had visited Vietnam to attend a youth camp and had laid flowers on Ho Chi Minh’s grave. Members of the delegation asked what was the Communist Party’s main concern with overseas Vietnamese? The Ambassador said that he wasn’t sure because even he couldn’t gain access to the Communist Party’s General Secretary but that he imagined that the Vietnamese authorities were worried that there were ex-patriot Vietnamese living in the United States and Australia who had not moved on from the defeat of the South Vietnamese Army and its allies in the 1970s.

The Ambassador went on to say that one of AusAid’s projects had been the recent production of a book aimed at raising the capacity of Vietnamese judges in areas of the law such as equal opportunity and gender discrimination.

Members of the delegation said that they had seen an ad in the local Hanoi newspaper about a human rights grants scheme where organisations could receive grants of up to $1000 for developing ways of rehabilitating and housing the woman and children affected by people-trafficking. The delegation asked whether overseas organisations could apply for these grants.

- MEETING WITH AUSAID

Susan McKeag, AusAid

Ms McKeag said that A$60 million of Australia’s A$80 million work of yearly aid to Vietnam was sponsored into agencies with the approval of the Vietnamese Government. The ratio of Vietnam’s development assistance to its national income was 4.5% and this was in contrast to some Pacific communities such as Papua New Guinea, Indonesia and the Solomon Islands, that were heavily dependent on aid.
Ms McKeag said that 25% of AusAid's aid to Vietnam had been directed into education scholarships and that Australia's reputation as a provider of quality education was well known. Ms McKeag went on to say that the Vietnamese Deputy Prime Minister had studied in Australia. The recent White Paper announcement of the doubling of AusAid education scholarships had therefore been very well-received by Vietnam.

AusAid's other main aid project areas were about governance, rural development and water and sanitation infrastructure matters. Many of AusAid's rural development aid packages focussed on improving rural health such as helping the Vietnamese Government plan to deal with pandemics and flu outbreaks. Other rural projects included HIV/Aids harm reduction in drug users.

Members of the delegation asked whether there would be a way of directing more scholarship recipients to study in Adelaide instead of Sydney and Melbourne. Ms McKeag said that research showed that South Australia had a good reputation in Vietnam as a provider of quality tertiary education. One way of attracting greater numbers of AusAid scholarship recipients to South Australia would be to have South Australian scholars visit Vietnam and give seminars.

Ms McKeag said that AusAid was working with the Vietnamese Government and United Kingdom aid agencies to help minimise the implications of Vietnam's commitments to the World Trade Organisation on vulnerable groups in Vietnamese society. Ms McKeag said that AusAid was also working with the Vietnamese Government in developing the gender equality law and the reform of the banking and agricultural sectors. AusAid's rural development projects were focussed on disaster mitigation and infrastructure development in Vietnam's poverty-stricken Mekong Delta as well as some of the Central Coastal provinces.

FRIDAY 4TH AUGUST 2006
Hanoi

- MEETING WITH MR DANG NGOC TUNG, VICE PRESIDENT, VIETNAMESE LABOUR FEDERATION

Mr Tung introduced himself saying that he had been born in Saigon and moved to Hanoi after being appointed Vice President of the Vietnamese Labour Federation. Mr Tung said that, unlike the Australian Parliament, five members of the Vietnamese National Assembly were not permanent members.

Mr Tung said that he welcomed us to Vietnam on behalf of the Vietnamese Labour Federation's two million members. Vietnam was beginning to see the results twenty years after it had first started to reform the labour movement with Vietnam's G.D.P. averaging about 7% from 2000 to 2005.
The recent 10th Community Party Communist had seen the lifting of the target G.D.P. to 8% per annum. It was hoped that the average income per capita would increase as a consequence to $1050 per year as opposed to $150 per year.

As of 7 July, 2005 almost half of Vietnam’s 84,000,000 people were working in the labour market with the rest engaged in agricultural production. The Federation was working to increase the number of people working in industrial construction and service areas in the next three years.

Mr Tung said that their records showed that in December, 2005 Vietnam had 7086 investment projects that were operated by foreigners. The first six months of 2006 had seen the advent of 329 other business projects and that 30 countries had received permission to invest in Vietnam.

The Vietnamese Labour Federation had provided vocational training for 4.5 million people during the past five years and sends 1.6 million workers to industry per year. The Federation was also involved in training member unions to operate in changed circumstances as many industries that were formally controlled by the Vietnamese Government became controlled by the private sector.

Changes in the labour laws since January, 2005 had caused unrest and there had been about 1200 documented cases of work stoppages. Mr Tung said that nearly all of the strikes had occurred in companies that were run by Taiwanese, Hong Kong and Korean investment companies. Mr Tung said that this was because the owners of many of the smaller foreign investment companies did not fully comply with the new labour regulations and resisted the organisation of their workers by the Vietnamese Labour Organisation. Most of the large foreign investment companies complied with the regulations.

The delegation asked whether unions were allowed to visit their members on site. Mr Tung said that the law gave unions the right to visit their members at work at any time. Mr Tung said that it was a major challenge for the members of his Federation to train people with the expertise to negotiate with employers to allow the formation of workplace unions. The Federation had received a lot of support from unions internationally to achieve this goal.

The Vietnamese National Assembly was in the process of amending Chapter 14 of the Labour Law that regulated the procedures that must take place before a strike can legitimately be called. Some National Assembly members thought that the draft changes to the law should more clearly define who was responsible for organising strikes at businesses that did not yet have a trade union. Some National Assembly had reservations about the draft labour law which said that only unions were legally allowed to organise strikes. Delegates expressed this concern because 85% of private sector enterprises and 65% of foreign investment companies were not unionised. Other National Assembly delegates thought that trade unions at higher levels, including district trade unions, be made eligible to call a strike for workers at businesses that did not have trade unions.

Mr Tung went on to say that most Assembly delegates thought that workers should have the right to elect their own representatives if their business was not covered by a
trade union. The workers' representatives would then be obliged to report to the
higher-level trade unions about any labour disputes. The Vietnamese Labour
Federation was lobbying the Vietnamese Government to clarify the labour law and it
hoped that the new policies would be completed by November, 2006.

Members of the delegation asked Mr Tung how many industrial deaths occurred in
Vietnam each year. Mr Tung said that labour protection unions dealt with those
problems and that the Government took action against such companies.

Mr Tung replied yes to a question from the Attorney-General about whether unions
were obliged to give companies prior notice before inspecting their books.

The delegation asked whether the Vietnamese Government had a squad of
Government inspectors who checked employee time and wage records as well as
compliance with safety rules. Mr Tung said that the Department of Labour had
employees who did not need to give prior notice before inspecting such records.

The delegation asked whether Government officials could be bought off. Mr Tung
said that the inspectors would be too scared of losing their jobs to do any such thing.

SATURDAY 5TH AUGUST 2006 – Hon Jack Snelling left the delegation for his
return to Adelaide
RECOMMENDATIONS

Singapore

That the State Government establishes means of marketing defence products from South Australia to the Government of Singapore. Given the expansion of Singapore’s defence forces, there will be opportunities for South Australian-based defence industries to sell defence products to the Government of Singapore. South Australia should take advantage of the close bi-lateral relationship between Singapore and Australia.

That SARDI be encouraged to co-operate with the research sector in Singapore and promoted within Singapore as a centre of excellence for agricultural research. South Australia is well placed to take advantage of Singapore’s drive to increase research and development.

That South Australia continues operating the SA Government Representative Office in Singapore. Singapore is not only a lucrative market for South Australian business in its own right, but is also an important hub for the new and emerging economies of Asia, in particular, China.

Vietnam

Vietnam is very prosperous and the economic climate is dynamic. Australia is the eighteenth largest foreign investor in the country and is involved in 120 major projects.

Vietnam is Australia’s fourth largest aid partner and Australian aid represents 4.5% of Vietnam’s GDP.

Australia has a good reputation in Vietnam and opportunities exist in a wide variety of areas.

Sister City Relationship
Informal advice was received that South Australian business opportunities would be enhanced if a sister city relationship was created. Vietnam regards such arrangements as extremely valuable and stated that they greatly improve the chances of any proposed economic relationship.

Education
Many opportunities exist to promote the educational facilities that are available in South Australia. Advice and observation reveal that the Vietnamese government is finding it very difficult to keep pace with the educational demands of its nation. This appears to be consequent upon a restrictive curriculum and outdated teaching methods. Either way, the appetite for education in Vietnam is rapacious and South Australian educational institutions at all levels are highly regarded and are exceptionally well placed to capitalize on this rapidly expanding market. Advice was received that NSW and Qld universities had been very aggressive and successful in their marketing. While South Australian Universities had been more
prominent in the last 6 months they needed to develop a critical mass which in order to generate new opportunities.

**Water Reticulation and Distribution**
The existing water reticulation and distribution system in developed towns is out dated and ineffective - especially in country areas. An improvement in water delivery is seen as essential in improving the standard of living and much government attention and support in being given to investors capable of providing investment in this area.

**Franchising in Vietnam**
The concept of franchising is just making an appearance within the Vietnamese economy. The delegation was told that two head franchises have been established. Austrade indicated that there was a considerable degree of interest being shown and that this was an area that warranted further investigation.

**Progressing Business Opportunities**
It should be noted that the many business opportunities that exist in Vietnam are best progressed by personal visit. It was emphasized to the delegation on many occasions that Vietnam is keen to further trade links with Australia, but this is invariably best done by personal visit. When doing business in Vietnam the value of personal contact cannot be underestimated.

**Human Rights**

There is concern among the Vietnamese-Australian Community about the observation of human rights by the Government of Vietnam.

While it is desirable to pursue closer political and trade ties with Vietnam, the Government must continue to press for greater religious and political freedom in Vietnam.
REFERENCE DOCUMENTS

The following documents were provided to the delegation during the tour and were used in the preparation of this Travel Report.


2. Doing Business in Vietnam - Ernst & Young.


5. Parliament of Singapore Educational Package.

The following documents were gathered by the delegation prior to or during the tour and were used in the preparation of this Travel Report.


This is a true and accurate report of my visit to Singapore and Vietnam from 27 July - 5 August 2006 for the purpose of Members of Parliament Travel Entitlement Rules 1983 as amended on the 2 September 1998.

Hon. J J Snelling MP  
Speaker of the House of Assembly  
Member for Playford