

# AVPI Policy Briefing

## Australian Business Champions to Vietnam Roundtable 5 - Adelaide

March 2023



Australian Government  
Department of Foreign Affairs and Trade



Australia Vietnam  
Policy Institute

Business Champions



**The Adelaide Business Champions Roundtable on 9 September 2022 was organised by the Australia Vietnam Policy Institute (AVPI) as part of its sectoral policy dialogues. The Roundtable was hosted by Martin Bean CBE, Chief Executive Officer at The Bean Centre, together with fellow Australia Vietnam Business Champion, Louise Adams, Chief Operating Officer at Aurecon, at the University of South Australia. There were 29 participants and 6 observers who attended the roundtable from the Agriculture and Food, Digital Economy and Professional Services sectors.**

These organisations have operations in Vietnam or are looking to expand or establish themselves in Vietnam. The discussion was centred around the common objective of discussing the opportunity Vietnam presents, the challenges of doing business in Vietnam, and the solutions to these challenges. The opportunities and challenges uniquely represented the predominant industries and economic demographics found across South Australia. The key themes and emerging insights directly result from the conversations held at this event.

This policy brief reflects the experiences and priorities of the industries and individuals represented in the room, and insights from participants are used to inform a series of recommendations posed toward business and government for both Australia and Vietnam to strengthen the economic relationship between the two nations.

The Australia–Vietnam Enhanced Economic Engagement Strategy (EEES), released in December 2021, reflects a deep desire and energy to do more. During the pandemic, Australia witnessed the most robust growth in Australia’s almost 50-year history of current diplomatic relations with Vietnam. An increase from approximately A\$7.9 billion (2020) to A\$10.8 billion (2021) of exported goods and service from Australia into Vietnam secures Vietnam as Australia’s tenth-largest export market.<sup>1</sup> With complementary economies and intertwined supply chains, Australia and Vietnam are positioned in partnership to engage with the region more broadly.

## **About the Business Champions Program**

The Business Champions are industry leaders who promote trade and investment opportunities to business communities in Australia and Vietnam, fostering greater bilateral leadership, sparking discussion around key sectors, and supporting the Australia–Vietnam Enhanced Economic Engagement Strategy (EEES).

2022 Australian Business Champions to Vietnam are Rob Gordon (CEO, SunRice), Martin Bean (former Vice Chancellor, RMIT University and CEO, The Bean Centre) and Louise Adams (COO, Aurecon), who represent the agriculture, digital economy and professional services sectors respectively.

The Business Champions Program is funded by the Department of Foreign Affairs and Trade (DFAT) and supported by the Australia Vietnam Policy Institute (AVPI).

## **Australia Vietnam Policy Institute (AVPI)**

The AVPI is the first policy institute focused on Australia’s relationship with Vietnam, acting as a partnered public policy hub centred around engagement, collaboration and impact.

The AVPI enables and facilitates discussions on strategic and economic issues in the Australia–Vietnam bilateral relationship. Through disseminating the latest research, identifying upcoming trends and sharing practical insights from people with on-the-ground experience, the AVPI helps to advance a cooperative and secure environment for business and investment.

*This activity received grant funding from the Department of Foreign Affairs and Trade under the Australia–Vietnam Enhanced Economic Engagement Grant Program 2021.*

<sup>1</sup> Department of Foreign Affairs and Trade, “Vietnam country brief”, Australian Government, (2022).

# Vietnam Sectoral Dialogues

## *Roundtables Series*

Friday 9 September 2022

Hosted in Adelaide by the Australia Vietnam Policy Institute (AVPI) as part of its sectoral policy dialogues/roundtable series.

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### KEY THEMES

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# Talent Accessibility

A persistent and structural issue for organisations across the globe is an ongoing talent shortage that is hampering growth strategies both domestically and internationally. Attraction, training, and retention are three key words dominating the HR landscape as organisations scramble to resource growth. Several short-term and long-term drivers have been fuelling this multi-year talent shortage, including a history of over-commitment, shifting skill sets and a dwindling workforce. Organisations in the agricultural industry have approached this issue head-on.

With roots firmly placed in Balaklava, South Australia, Balco Australia understands that employees are the number one requirement to ensure business longevity. They believe in providing all employees with high quality internal and external training and professional development opportunities and does not shy away from challenges to continuously improve operations.

Balco addresses talent shortages through proactive recruitment, ongoing employee training and through investment in providing education and training to on-site teams in Vietnam with the technical and engineering skills required to run an Australian operation. This resourcing has increased the value Balco provides to its Vietnamese clients, who together have also ventured to Australia with their technology team to engage with leading Australian universities in partnership with Austrade. This is an excellent example of industry, academic and government partnership at work to address the particular and general issue of talent shortage.





“If you're going to go, you need to be ready to go fast.”<sup>3</sup>

One of the biggest questions for Australian organisations entering or expanding in Vietnam is, 'can you hire fast enough?' – growth rates are stretching available skilled talent in Australia and Vietnam. Long-term thinking is required to develop in-house capability and continue to retain and upskill existing workforces.

Government plays a crucial role in brokering education-industry partnerships as a pipeline for skilled talent, as was the case with FPT's innovation hub in Hanoi through Swinburne University. **Established over a year ago in mid-2021, Swinburne has just opened its third teaching site in Danang, focusing on business, ICT and computer science and providing a pipeline of skilled workers to keep pace with FPT's rapid growth trajectory.**<sup>4</sup> Another example is the partnership between RMIT University, Sovico Group and VietJet JSC, established in 2019 to develop a pipeline of Australian certified aviation, management and engineering graduates. These partnerships have been an enabler of VietJet's establishment in Australia.



<sup>2</sup> Peter Bendor-Samuel, “Short-Term and Long-Term picture of talent shortage”, Forbes, (2022), accessed October 3, 2022, <https://www.forbes.com/sites/peterbendorsamuel/2022/03/08/short-term-and-long-term-picture-of-talent-shortage/?sh=4d875a87c78d>.

<sup>3</sup> Industry participant in the Australia Vietnam Business Champion Adelaide Roundtable, 9 September 2022.

<sup>4</sup> “Swinburne continues expansion in Vietnam”, Swinburne, (Jul 22) accessed October 3, 2022, <https://www.swinburne.edu.au/news/2022/07/Swinburne-continues-expansion-vietnam/>.

# Talent Mobility

A satirical gesture toward Donald Horne's equally satirical book, 'The Lucky Country', Aaron Patrick's Australian Financial Review (AFR) article 'Australia is rich, dumb and getting dumber' was a wake-up call Australians didn't know they needed.<sup>5</sup>

The article suggests that the lack of complexity in Australia's economy has resulted in an innovation-starved culture where despite the number of inventions and entrepreneurs birthed out of Australia – the growth and establishment of these organisations are incubated elsewhere. The flow-on effects of this impact the skills and talent available in Australia for growth initiatives and the infrastructure and networks available to support new and emerging markets.

Unfortunately, the Australian visa process poses a significant barrier to skilled Vietnamese workers seeking opportunities in Australia. Given the competition from other English-speaking countries seeking to attract the Vietnamese market, this issue requires significant attention and constitutes a recurring theme across the roundtable discussions.<sup>6</sup>

***“Our challenge is ‘how can we increase the ease of mobility between Australia and Vietnam for our clients?’ Traditional business models that refer to ‘onshore’ and ‘offshore’ are outdated. We are simply global. The client could be from anywhere – so how can we have an engagement model where resources could be located anywhere and still service the client well? We need a visa and working arrangement to enhance the mobility of our digital talent.”<sup>7</sup>***

Complexity is increased as visa requirements can often change and processes can be seen to be overly complex. Processing timeframes for work and skilled visas can take years – preventing timely foreign direct investment (FDI) from Vietnamese business interested in investing in Australia. For example, a venture capital (VC) entrepreneur with access to VC funding of at least A\$1 million can expect to wait 36-40 months before approval.<sup>8</sup>



<sup>5</sup> Aaron Patrick, “Australia is rich, dumb and getting dumber”, Australian Financial Review, (Oct 8, 2022), accessed October 3, 2022, <https://www.afr.com/policy/economy/australia-is-rich-dumb-and-getting-dumber-20191007-p52y8i>.

<sup>6</sup> “Q&A: All Eyes on Vietnam: Why and How to Enter the Market”, Vietnam Briefing, accessed October 3, 2022, <https://www.vietnam-briefing.com/news/qa-all-eyes-on-vietnam-why-and-how-to-enter-the-market.html/>.

<sup>7</sup> Industry participant in the Australia Vietnam Business Champion Adelaide Roundtable, 9 September 2022.

<sup>8</sup> “Visa Application Processing Times”, Visaenvoy, accessed September 14, 2022, <https://visaenvoy.com/australian-visa-application-processing-times/>.

In a 2018 comparative study, researchers compared Australia's visitor visas for Asian markets with its key competitors – New Zealand, UK, USA, Canada and the Schengen. Key recommendations from the report were; to reduce visitor visa fees, reduce passenger movement charges, extend the validity of the visa and commit to a fixed standard processing time. From a processing perspective, Australia fared comparatively well.<sup>9</sup> Yet navigating the trajectory from initial study thorough to permanent residency can be significantly more complex with Australia's points system, which considers age, language skills, qualifications and work experience (among other things).<sup>10</sup>

The Vietnamese government should consider simplifying its visa process in order to facilitate greater trade and investment between Australia and Vietnam. Complex and burdensome visa procedures can act as a deterrent for Australian businesses looking to operate in Vietnam, as they may perceive the process as being too time-consuming and costly. By streamlining the visa process, the Vietnamese government can demonstrate its commitment to fostering a business-friendly environment and encourage greater engagement with international partners, such as Australia. This, in turn, can lead to increased economic growth and development for Vietnam.

Hand in hand with issues surrounding human resource shortages in Australia, is a shortage of advisory services in Australia that can provide nuanced advice to Vietnamese companies seeking to navigate the regulatory and legislative frameworks necessary to conduct their business effectively and efficiently. **Australian bureaucratic systems differ from state to state and are considered overly complex, with unreasonable wait times for companies requiring timely outcomes to maintain an acceptable profit margin.** Negotiating memorandums of understanding (MOUs) between companies can be particularly difficult, with regulations from both nations an added challenge to linkages between businesses.



Likewise, there is a need for increased advisory services offered by either the private sector or Vietnamese Government for Australian businesses seeking to enter the Vietnamese market. These services can provide valuable support and guidance to businesses navigating the complexities of entering a new market which is nuanced by varying local jurisdictions. By offering or incentivising the growth of comprehensive advisory services, the Vietnamese government can demonstrate its commitment to supporting the success of foreign businesses in Vietnam. It is essential that such advisory services are easily accessible and responsive to the needs of Australian businesses in order to truly facilitate their entry into the Vietnamese market. Unsurprisingly, the opportunities, as well as the challenges of talent accessibility and mobility between the two nations, are reciprocal.

<sup>9</sup> T. Pham, Phi, G. T. L., Becken, S., Jin, C., & Su, J., "Visitor visas for Asian markets: A comparison between Australia and key competitors", Griffith Institute for Tourism Research, (2018).

<sup>10</sup> Department of Home Affairs, "Points table for Skilled Independent visa (Subclass 189)", Australian Government, <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/skilled-independent-189/points-table>.

# Enhancing Education Enhancement

One of Australia's most valuable and untapped assets is the alumni of our tertiary and secondary education institutions.

Education institutions, diplomatic initiatives and business-led leadership networks play a prominent role in forming deep people-to-people links between Australia and Vietnam. Australia can benefit from the economic, social, and diplomatic capital developed over the previous twenty years by intentionally nurturing the relationships and releasing the value of these people-to-people links within the education network. The relationship can benefit by; (1) continuing to support the Australia Global Alumni Engagement strategy, including investment into the New Colombo Plan (NCP) alumni program, (2) raising the prestige of leadership-focused dialogues that profile the best of the two nations, (3) broker relationships between key players in the alumni landscape such as education institutions, the Department of Foreign Affairs and Trade (DFAT) initiatives and business-led networks and (4) develop a strategy to cultivate and link alumni networks with students and parents that have developed from secondary education institutions.<sup>11</sup>



<sup>11</sup> Department of Foreign Affairs and Trade, "Australia Global Alumni Engagement Strategy 2016-2020", Australian Government, accessed January 8, 2023, <https://www.dfat.gov.au/about-us/publications/Pages/australia-global-alumni-engagement-strategy-2016-2020>.



# Tertiary Alumni Links

Across Australia's higher and vocational education institutions, there are millions of alumni, many of whom have linkages across Australia and Vietnam. For the past two decades, many talented Vietnamese students have been studying at Australian universities both in Australia and at campuses in Vietnam.<sup>12</sup> This highly-skilled, bilingual workforce can contribute to the skilled talent pool that enables two-way investment. Relationships developed from cross-institutional and cross-national study bring trade, investment and business linkages between Australia and Vietnam and across the Association of Southeast Asian Nations (ASEAN).<sup>13</sup>

Strategies, such as the Australia Alumni in Vietnam Strategy (2016-2021), have set the stage for intentional community building among Australia-Vietnamese alumni across both nations. Four key objectives stemming from the strategy aim to deepen the people-to-people links across education and public diplomacy and enhance business and trade outcomes. Specifically, the four objectives are to (1) Strengthen our diplomatic access and influence, (2) Grow our trade, investment, and business linkages, (3) Promote our capabilities and credentials in education, science, research and innovation, and (4) Showcase Australia as a contemporary, innovative and open society. The global action plan partners with Australian university and education institutes, professional peak bodies and business networks such as AusCham, the Australian Alumni Jobs Network and the Vietnamese Chamber of Commerce and Industry.<sup>14</sup>



Yet, the benefits of alumni linkages are clearly reciprocal, with Australia learning from Vietnam and the region as it also showcases the benefits of Australia to Vietnam. Deliberately cultivating alumni networks through programs such as the Australia-Vietnam Leadership Dialogue (AVLD) facilitates this kind of reciprocal relationship-building crucial for deepening the ties between the two nations.<sup>15</sup> AVLD brings together cohorts of young leaders from Australia and Vietnam; what started as a grassroots people-to-people initiative has now become a prominent part of Australia and Vietnam's foreign relations network, with the 2021 dialogue endorsed by the two Prime Ministers. The AVLD alumni are leaders in their respective sectors and can cultivate culturally appropriate commercial acumen as well as broker new connections.



Government-led programs, such as the New Colombo Plan (NCP), are also paving the way through education linkages to provide long-term benefits to the business community. Intentionally linking education, industry placements, and partnerships as part of this large-scale exchange program across the Indo-Pacific has developed NCP alumni that are demonstrating themselves as capable, culturally-literate graduates.<sup>16</sup>

<sup>12</sup> "RMIT Vietnam", RMIT, accessed October 3, 2022, [https://www.rmit.edu.vn/Department of Foreign Affairs and Trade](https://www.rmit.edu.vn/Department%20of%20Foreign%20Affairs%20and%20Trade), "Australia Global Alumni Engagement Strategy 2016-2020",

<sup>13</sup> Department of Foreign Affairs and Trade, "Australia Global Alumni Engagement Strategy 2016-2020", Australian Government, accessed January 8, 2023, <https://www.dfat.gov.au/about-us/publications/Pages/australia-global-alumni-engagement-strategy-2016-2020>.

<sup>14</sup> Department of Foreign Affairs and Trade, "Australia Global Alumni: Australia Alumni in Vietnam Strategy 2016-2021", Australian Government, (2016).

<sup>15</sup> "Dialogues", Australia - Vietnam Leadership Dialogue, accessed October 3, 2022, <https://www.australiavietnam.org/>.

<sup>16</sup> Department of Foreign Affairs and Trade, "Business Engagement", Australian Government, accessed October 3, 2022, <https://www.dfat.gov.au/people-to-people/new-colombo-plan/business-engagement>.

# Secondary Objectives

The international education market is worth over A\$40.3 billion to the Australian economy.<sup>17</sup> Specifically, Vietnam is Australia's second-largest source country in the international secondary market, and between January and October 2022, there were 2,389 Vietnamese school students in Australia.<sup>18</sup>

Increasing the focus to nurture student and family alumni from engagement with the secondary education sector is an essential, yet often neglected, aspect of the international education sector. This onshore engagement provides opportunities for education and community connections from an early age.

For Australian engagement in Vietnam in the secondary school market, Austrade's Market Action Plan (MAP) for promoting education, training and research in Vietnam highlights the ongoing need to provide information and advice to support market access for Australian school programs in Vietnam. This plan includes supporting secondary schools to develop a dual-school certification.<sup>19</sup>



Other opportunities for secondary schools also exist in edtech. Vietnam is an emerging market in the edtech space, where the digital economy and education sectors are becoming increasingly integrated. The global online eLearning market is predicted to be at US\$370 billion in three years.<sup>20</sup> In Vietnam, the education sector has seen technological leaps and innovation in online delivery, including in secondary education. There is an ongoing rapid increase in schools launching online-only campuses, 'schools of the air' that go beyond a traditional 'distance education' – signalling a new wave of online learning for secondary students.

<sup>17</sup> Department of Education, “Australian Strategy for International Education 2021–2023”, Australian Government, (2020).

<sup>18</sup> Department of Education, “International Student and Education Statistics by Nationality”, Australian Government, accessed January 3, 2022, <https://www.education.gov.au/international-education-data-and-research/international-student-and-education-statistics-nationality>.

<sup>19</sup> Austrade, “Market Action Plan – Vietnam”, Australian Government, accessed October 3, 2022, <https://www.austrade.gov.au/australian/education/countries/vietnam>.

<sup>20</sup> Department of Education, “Australian Strategy for International Education 2021–2023”, Australian Government, (2020).



# A Taste of Diversification

One of the industries of focus in the EEES is enhancing the agriculture, forestry, and fisheries trade between Australia and Vietnam.<sup>21</sup> Enhancing engagement includes facilitating market access by addressing technical regulation, capability development, and initiatives that strengthen inter-governmental cooperation.

One such initiative on engagement focuses on wine market access to increase the Australia-Vietnam wine trade. As both governments are committed to participating in the World Wine Group, key reforms expected to be progressed include the luxury tax regime, marketing and advertising, and self-assessment requirements.<sup>22</sup> Australia's wine exports in the previous financial year (2021-22) were worth over A\$2.08 billion, with A\$8.3 million coming from sales in Vietnam.<sup>23</sup>

Attention has now turned to Vietnam as Australian wine exporters have felt the effects of relying on a single export market (China) for so long. In 2020, the South Australian Wine Industry Association announced its plans to broaden its partnerships across ASEAN and invest in a diversification plan for its exports.<sup>24</sup> Vietnam, however, is not China and cannot compete regarding the sheer scale of the market. Yet the market potential for wine exporters is promising with a growing middle class, an increase in wine as a consumed beverage, and foreign wine becoming a popular product for corporate gifting.<sup>25</sup>

“One of the challenges is – with what happened in China – we have a number of wineries who think that Vietnam is the next great gold mine... and this is an issue”<sup>26</sup>



<sup>21</sup> Department of Foreign Affairs and Trade, “Australia–Vietnam Enhanced Economic Engagement Strategy.” Australian Government, (2021).

<sup>22</sup> Department of Foreign Affairs and Trade, “Australia–Vietnam Enhanced Economic Engagement Strategy.” Australian Government, (2021).

<sup>23</sup> Wine Australia, “Australian wine export monitor, Wine Australia, accessed October 9, 2022, <https://www.wineaustralia.com/market-insights/australian-wine-export-monitor>.

<sup>24</sup> South Australian Wine Industry, “Supporting Growth in Wine”, South Australian Wine Industry Association, Accessed October 9, 2022, <https://www.winesa.asn.au/>.

<sup>25</sup> Lisa Prodent and Pritesh Samuel, “Vietnam’s Wine Industry and Opportunities for Australian Investors, Vietnam Briefing, accessed October 9, 2022, <https://www.vietnam-briefing.com/news/vietnams-wine-industry-opportunities-for-australian-investors.html/>.

<sup>26</sup> Industry participant in the Australia Vietnam Business Champion Adelaide Roundtable, 9 September 2022.



Even though Vietnam cannot replace China when it comes to scale, there are further growth opportunities for Australian winemakers in the Vietnamese market. The benefits go beyond direct trade outcomes. Wine exports are already a significant source of positive brand awareness for Australia, which could lead to positive flow-on effects that benefit the broader visitor economy.<sup>27</sup>

“There is real brand recognition and so a ready audience... we wouldn’t want to miss the opportunity of finding a foothold by putting it [Vietnam] in the too-hard basket.”<sup>28</sup>

Logistics and talent shortages continue to impact the wine industry. Still, producers are encouraged to persevere with a long-term mentality as the market grows and matures. The opportunity presented has attracted an influx of Chilean and French wine in the Vietnamese market. Over the long term, increased supply and choice will support the popularity of wine as a consumed beverage.<sup>29</sup> The current free trade agreements with Vietnam are favourable long-term for wine producers looking to export to Vietnam. There are two in particular that Australian producers can make use of, depending on what and when Australian businesses are looking to enter the Vietnamese market. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) have increasingly favourable conditions for Australian producers looking to export.<sup>30</sup>

<sup>27</sup> Australian Grape and Wine Sector, “Vision 2050: Australian Wine”, Australian Grape and Wine Sector, (2020)

<sup>28</sup> Industry participant in the Australia Vietnam Business Champion Adelaide Roundtable, 9 September 2022.

<sup>29</sup> Lisa Prodent and Pritesh Samuel, “Vietnam’s Wine Industry and Opportunities for Australian Investors, Vietnam Briefing, accessed October 9, 2022, <https://www.vietnam-briefing.com/news/vietnams-wine-industry-opportunities-for-australian-investors.html/>.

<sup>30</sup> Ibid.



# Technical Cooperation

Government-to-government cooperation has proven to be a vital structure in formulating appropriate technical cooperation and regulatory frameworks for complementary industries across Australia and Vietnam. An example of this is within the wine additive space; as Vietnam is not a wine-exporting nation, there are standards and regulations for food imports and exports that are not necessarily appropriate for wine.

Over several decades, relationships have developed between Australian trade representatives for the wine industry and Vietnamese officials. These relationships – and a shared intent to better both economies – have provided the foundation for cooperation within the technical and regulatory landscape. **Using official regional forums, like those associated with the Asia-Pacific Economic Cooperation (APEC) summit(s), has also provided a neutral space for industry bodies to negotiate regulatory cooperation.** The APEC Wine Regulatory Forum (WRF) comprises government officials and industry stakeholders to open up the wine trade between wine-producing markets, like Australia, and wine-consuming countries, like Vietnam.<sup>31</sup> Technical implementation agreements have been formulated between forums like WRF and the World Wine Trade Group to reduce unnecessary analysis and harmonise technical competencies, methods and result presentations to simplify the regulatory frameworks in place.

Peak bodies, such as Wine Australia, provide a fantastic starting point for wine producers looking to export to Vietnam. They enable producers to connect with representatives from Austrade, the Viet Nam Food Administration of the Ministry of Health and the Viet Nam Ministry of Industry and Trade. With complex import procedures, duties and taxes, and ever-changing labelling requirements, a supportive ecosystem is there to ensure that Australian producers can deliberately and consistently gain traction in Vietnam.<sup>32</sup>

<sup>32</sup> Wine Australia, “Export Market Guide – Vietnam”, Wine Australia, Accessed October 9, 2022, <https://www.wineaustralia.com/selling/export-market-guide-vietnam>.

# Investing in Inbound Missions

Over 97 per cent of all business in Australia is classified as 'small', i.e. less than 20 employees and a turnover of under A\$10 million a year.<sup>33</sup> The profile and predominant industries of the business community within small businesses are fundamentally different from medium or large enterprises – and therefore, the nature of the links with Vietnam are also fundamentally different. The makeup of the Australian business landscape highlights the importance of creating an ecosystem from which businesses between Australia and Vietnam can be incubated and thrive.

*"It is not just an 'outbound' effort from which we make links with Vietnam... it is more important to focus on inbound students, business migration, and trade delegations. We have a lot of substantial businesses – but predominantly very small, and if we want to increase the literacy of opportunities in Vietnam with that community, then the traditional models of jumping on a plane over to Vietnam may be a step too far for those who haven't even considered doing business outside of Australia."<sup>34</sup>*

While it is ideal for Australian businesses to experience and invest in Vietnam for the long-term by having a physical, invested presence in Vietnam, there is a preliminary step of increasing awareness of Vietnam as a place to do business. **This awareness-raising phase needs to happen in Australia.** One way in which Australia can do this is via destination marketing. That is, elevate the profile of successful small and medium-sized enterprises (SMEs) in Australian-Vietnamese business partnerships, ensuring a balanced profile across industries and states.



Industry expos, such as the Fine Food showcase, highlight Australian agri-food exporters on home soil, attracting tens of thousands of potential buyers and investors to Australia. In 2022, there were more than 670 exhibitors with 420 Australian businesses, including 46 in food, wine and beverages. This included a schedule of inbound trade missions – which hosted over 50 buyers in 120 pre-scheduled meetings across Asia and the Middle East.<sup>35</sup>

**Showcasing Australian ventures that have created success, by industry and by state – highlights to the SME business community in Australia that these business partnerships are both possible and profitable.** It requires initiative and investment by state and federal governments to facilitate inbound missions to encourage Australian organisations to engage with Vietnam and, in return, promote Vietnamese investment in Australia.



Investing in inbound SME missions could also be a successful model for the Vietnamese Government to consider in profiling the opportunities available in Vietnam for foreign-led businesses in Australia and the region. The inbound missions may involve bringing foreign investors or business leaders to Vietnam to learn about the local business environment and identify potential opportunities for investment. By hosting these missions, the Vietnamese Government can showcase the diverse range of investment opportunities available in the country and provide a platform for potential investors to connect with local businesses and government officials. This approach can be an effective way to attract foreign direct investment to Vietnam, as it allows foreign businesses to directly experience the benefits and potential of doing business in the country. Additionally, hosting inbound missions can help to build relationships and trust between the Vietnamese Government and foreign investors, which can be critical in facilitating successful investments.

<sup>33</sup> Treasury, “TPP22-08 Small Business Definition”, NSW Government, Accessed October 9, 2022, <https://www.treasury.nsw.gov.au/documents/tpp22-08-small-business-definition>.

<sup>34</sup> Industry participant in the Australia Vietnam Business Champion Adelaide Roundtable, 9 September 2022.

<sup>35</sup> Austrade, “Aussie F&B back on the world stage at fine food showcase”, Australian Government, (Oct 22), Accessed October 9, 2022, <https://www.austrade.gov.au/news/latest-from-austrade/aussie-f-b-back-on-world-stage-at-fine-food-showcase>.

# The Visitor Economy

Unsurprisingly, the international tourism sector in Australia has been one of the most affected by COVID-19. Before 2020, the visitor economy was Australia's fourth-largest export sector. International tourism is just one aspect of the broader visitor economy, linked to industries like international education, medical tourism, hospitality, aviation, accommodation and the wellness industry.<sup>36</sup> For Vietnam, Australia's recreational travel to Vietnam was valued at A\$1.2 billion to the economy.<sup>37</sup>

Market diversification and expansion is a focus area of Tourism Australia's THRIVE 2030 vision – a vision set by the Australian Government to establish Australia's Visitor Economy with long-term sustainable growth trajectory.<sup>38</sup> The focus on diversification is both an inbound and outbound lens, promoting alternative markets (away from the US, UK and China) and showcasing experiences across South East Asia. Diversification is also focused on cultivating the high-end luxury experience market in Australia and supporting partner economies, like Vietnam, to do the same.<sup>39</sup>



<sup>36</sup> Tourism Australia, “Thrive 2030: The Re-Imagined Visitor Economy”, Australian Government, accessed October 9, 2022, <https://www.tourism.australia.com/en/about/our-organisation/our-performance-and-reporting/reimagining-the-visitor-economy.html>.

<sup>37</sup> Based on ABS trade data on DFAT STARS database, consistent with ABS catalogue 5368.0.55.004

<sup>38</sup> Tourism Australia, “Thrive 2030: The Re-Imagined Visitor Economy”, Australian Government, accessed October 9, 2022, <https://www.tourism.australia.com/en/about/our-organisation/our-performance-and-reporting/reimagining-the-visitor-economy.html>.

<sup>39</sup> Ibid.

<sup>40</sup> Department of Foreign Affairs and Trade, “Australia–Vietnam Enhanced Economic Engagement Strategy.” Australian Government, (2021).



One of the opportunities within the Visitor Economy is capability development and knowledge sharing across the two economies. Establishing a micro-credentialing framework with vocational education and industry partners could provide a framework for upskilling and create consistent industry standards in Vietnam and Australia. Further opportunities can be found in emerging growth areas of eco-tourism with popularity in Vietnam rapidly increasing. Australia is well positioned to provide thought leadership in design and hospitality experiences to continue to support Vietnam's tourism industry, with an emphasis on sustainability and experiences.<sup>40</sup>



# Emerging Insights

## Australian Businesses

### Increase control over talent pipeline

Having the right talent and sufficient resourcing makes or breaks an organisation and its ability to achieve its growth strategy. Businesses are encouraged to think long-term. Australian businesses should consider exerting greater control and influence over their talent pipeline right from the beginning. This can be done by investing in education and skills training to on-site teams or partnering with vocational or higher education institutes to ensure that there is a consistent flow of new talent; and for existing workers to be continually upskilled or reskilled. Relying on brokering organisations, such as recruitment firms, may not be enough to resource predicted growth trajectories or enable businesses to pivot quickly to respond to opportunities.

### Strengthening partnerships in secondary education

A greater spotlight on servicing and supporting the international secondary school market will pay dividends for the tertiary education market in the long term. Strengthening partnerships across the entire education ecosystem, not just tertiary providers, will be crucial to establishing market share in the burgeoning online eLearning market.

### Picking opportunities in wine

The Australian Government, Wine Australia and other state-based organisations have identified the opportunity for Australia's wine industry presented by Vietnam's growing middle-class and changing beverage trends. Australian growers, distributors and exporters should capitalise on this focus and establish their presence in the Vietnamese beverage market.

As highlighted above, Australian wine has a strong brand; free trade agreements provide long term security for investment in export channels; and there are plenty of opportunities for business partnership in Vietnam for mutual advantage. Although working from a small base, there is no better time for the Australian wine industry to invest, than today.

### Data sharing for customised high-end experiences

Strengthening partnerships between Australian and Vietnamese service providers in the Visitor Economy presents an opportunity to create seamless, high-end customer experiences that could benefit both economies. The ability to create luxury customised experiences could be done by working together to share knowledge, data, and skills.



## Australian Government

### **Streamline work and skilled visa processes**

Australian businesses report high levels of satisfaction with Australian Government advisory services in Vietnam. However, Vietnamese businesses attempting to establish operations in Australia report significant issues navigating bureaucratic channels and encountering infrastructure gaps and human resource shortfalls. Streamlining visa processes to encourage more skilled Vietnamese immigration will help provide bilingual workers to assist Vietnamese companies in accessing the Australian market.

### **Cultivating alumni networks**

Intentionally cultivating and tapping into the networks of our tertiary alumni can be a powerful diplomatic force for both countries. The Australian Government is encouraged to continue investing in alumni networks, creating opportunities for Australian and Vietnamese-based alumni to connect, share, and instigate new programs, projects and initiatives.

### **Creating a robust inbound mission program for SMEs**

The Australian government should focus on creating an ecosystem from which businesses between Australia and Vietnam can be incubated and thrive. A healthy ecosystem can be supported by continuing to invest in inbound missions to serve small or micro-enterprises. This can be done by elevating the profile of successful SME Australian-Vietnamese business partnerships – marketed to an SME audience profile.

## Vietnamese Government

### **Streamline processes and showcasing opportunities**

Consider providing or incentivising the availability of advisory services for Australian businesses seeking to enter Vietnam to support their success. This could also include working with the Australian government to simplify the visa process for Australian workers. Another key aspect of this could include developing a robust inbound mission program for SMEs as per the recommendation to the Australian Government.

### **Play a key facilitation role in brokering education-industry partnerships**

Increasing accessibility to Vietnamese talent for Vietnamese-led and Australian-led organisations (working remotely or in Vietnam or Australia) will significantly benefit Australian-Vietnamese trade and investment relationships. The Vietnamese Government can support this by brokering education-industry partnerships and promoting ties between the two nations.

### **Continued technical and regulatory cooperation for complementary industries**

Continued cooperation between governments and technical and regulatory bodies will remain essential to enable the growth of complementary industries – where regulation may not have progressed due to domestic necessity. Open dialogue and a commitment to harmonising regional regulatory frameworks will provide certainty for sectors like the wine industry. This level of security will support industry players to invest long-term, ensuring that tariff and non-tariff barriers are being addressed.

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## Images

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# Acknowledgements

The Australia Vietnam Policy Institute acknowledges the support of the Australian Department of Foreign Affairs and Trade (DFAT).



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