

Reimagining the Japan Relationship Project

Submission by Australia Japan Society of Victoria

1 Introduction

The Australia Japan Society of Victoria (**AJSV**) is an independent, non-profit organisation dedicated to strengthening business, government, educational and cultural links between Victoria and Japan. Our members include large and small business corporations, educational and cultural organisations, families and individuals.

In preparing this submission, the AJSV conducted a survey of its members on their views of the Australia-Japan relationship, including strengths, areas for improvement and steps that could be taken to make trade with Japan easier.

2 Strengths and weaknesses of the relationship

Interestingly, all of our respondents consider the Tourism sector to be the strongest area of the Australia-Japan relationship, despite our membership base largely deriving from the corporate sector. This is followed by historical areas of collaboration in which each country complements the other, being Agriculture, Manufacturing and Technology. In third place is Arts & Creative Industries and Education, reflecting the flourish of visible exchange occurring in these areas, despite the COVID-19 pandemic.

Our members considered that the area most in need of improvement is collaborative Research & Development. This is followed by Healthcare and Technology. There are a few areas considered as a strength yet needing improvement, being Arts & Creative Industries and Education, showing the perceived untapped potential in these areas. The areas that are not perceived as needing a boost are historical areas of collaboration including Agriculture and Finance, and lesser-known areas of collaboration such as Construction and Real Estate,

3 Australia-Japan literacy

Our membership base formed a view that Australia's understanding of Japanese language and culture is insufficient, and vice-versa. While both countries have a positive image of the other, our members expressed a concern that for the majority, understanding is at a superficial level.

There is a perception that while the Australian population is introduced to Japan through popular culture, tourism and food, the majority have limited understanding of Japan's society, history, cultural practices and business culture. While many Australians have studied Japanese at school, they continue to report their experiences of a significant language barrier while in Japan.

Conversely, while most Japanese people now study English at school, Japan ranks low among other Asian countries in English-language proficiency. Many entrants to Australia from Japan encounter a language barrier which reduces their opportunities to work, live and play in Australia.

Our membership suggests that delivery of language education in both countries could be improved by increasing interaction with native speakers, as well as greater investment in education through extended exchanges, scholarships and business secondments.

4 Challenges currently facing the Australia-Japan relationship

The most immediate challenge for the Australia-Japan relationship is perceived to be travel restrictions due to COVID-19.

Beyond that, there needs to be an improved understanding at a business and government levels of the critical importance of the bilateral relationship. There is a perception that the current attitude is one of mutual “benevolent indifference” to the potential for large increases in Trade, Research & Development and Tourism between the two countries.

In particular, the Trade relationship needs to evolve from Australia being a reliable source of raw materials for Japan and reliable customer for Japanese products, to a genuine partnership in collaborative development of new technology and other expertise. This is particularly pressing in the context of the energy transition and in particular Japan’s commitment to reducing its greenhouse gas emissions.

5 Steps to make trade and investment easier

We believe that lasting change has to be implemented at government level first. A new and long-term strategic commitment from the governments of both countries would drive the most substantial change. We suggest Australia could initiate specific government incentives to encourage growth. Sister city relationships continue to be very important as they allow for cultural and language exchange beyond the major cities.

There are opportunities to invest in shared R&D and intellectual property development through universities, industry and research institutes. An example of such investment is the world-first Hydrogen Energy Supply Chain Project which aims to safely produce and transport clean liquid hydrogen from Australia’s Latrobe Valley in Victoria to Kobe in Japan. The project is being delivered by a partnership between Japanese and Australian experienced industry partners and supported by the Victorian, Australian and Japanese Governments. Such projects provide an opportunity to diversify the Australia-Japan trading relationship.

Both Australian and Japanese businesses could benefit from further education to develop the language skills necessary to facilitate business negotiations as well as mutual understanding of differences in work culture and etiquette. This could be achieved through the sponsorship and promotion of Japanese study centres in Australia (both independent and university based) and exchanges of business champions between the two countries, as seen for example through the Hamer Scholarship program. At a practical level, Australia could be more inclusive by providing more Japanese-language translations on signage, brochures, etc.

Industry-level engagement is also useful, as seen with the delegation of Australian forestry representatives who visited Japan in 2018 to strength trade relationships with Japanese forest products companies for the export of Australian renewably-sourced wood fibre.

At a community level, we should encourage Australian schools to maintain the Japanese language offering as well as encouraging Japanese expats to send their kids to local Australian schools.

A bilateral easing of the visa requirements and increased visa options would assist with all of the above by enabling greater tourism, exchange and business travel.