The impact of the Australian media’s reporting of Indonesia on business relationships – A Western Australian perspective.

Sinéad Mangan
Bachelor of Arts, Bachelor of Asian Area Studies

This thesis is presented in partial fulfilment for the degree of Master of Business Journalism at Murdoch University, July 2016.
Declaration

I declare that this thesis is my own account of my research and contains as its main content work which has not previously been submitted for a degree at any tertiary education institution.

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(Sinéad Mangan)
Abstract

In 2011, the Australian Broadcasting Corporation’s current affairs program Four Corners televised an exposé of the treatment of Australian cattle in Indonesian abattoirs. The program prompted the immediate suspension of the Australian live cattle trade to Indonesia. It was another incident in the history of Indonesian-Australian relations involving the Australian media and government action since Indonesia’s independence in 1945. This paper looks at the history of Australian media reporting and how it affects business with Indonesia. It examines the extent to which reporting in the Australian press impacts the perceptions of business people pursuing commercial relationships in Indonesia, focusing on Western Australia. It analyses interviews with prominent Western Australian business executives with a vested interest in Indonesia and identifies key issues hindering closer economic ties between the two countries. Issues identified include negative reporting in the Australian media, the effect of nation branding and the perpetuation of stereotypes in news judgement in Australian newsrooms.
Table of Contents

Declaration ..........................................................................................................................i
Abstract ............................................................................................................................. ii
Acknowledgments ........................................................................................................... 1
Preamble ..............................................................................................................................2
Introduction .........................................................................................................................3
Chapter 1 – Background .....................................................................................................5
Chapter 2 – Relevant Studies ............................................................................................19
Chapter 3 – Methodology ...................................................................................................24
Chapter 4 - Findings and Analysis .....................................................................................32
Chapter 5 - Unexpected Findings .......................................................................................47
Conclusion ..........................................................................................................................64
Bibliography ......................................................................................................................67
News References ................................................................................................................71
Acknowledgments

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Preamble

My work at the Australian Broadcasting Corporation spans more than fourteen years, most of which has been spent working in the rural division, specialising in finance and resources. Prior to that I worked for an international mining magazine after studying and working in Indonesia. In 2011, I was acting as executive producer of ABC Rural in Western Australia when we heard word that Four Corners was soon to air a story about the treatment of Australian cattle in Indonesian abattoirs. The footage we were told was grim. The reaction from the rural teams in both Western Australia and the Northern Territory was of shock, however, all reporters were keen that Australian and Indonesian farmers were fairly represented by the Four Corners program. “Their livelihood was on the line,” was the common reaction from the reporters, many of farming backgrounds themselves. I found myself watching this unfold at a slight distance, as although I do not have that personal connection to the land, I have interviewed many pastoralists over the years and I have firsthand experience of Indonesia and its people. I was equally concerned as my experience told me that anything to do with Indonesia was put in the “basket case category” by editors and reporters alike in the newsroom. Nobody could have predicted the political fallout after the airing of Four Corner’s story “A Bloody Business”. The knee jerk reaction by the Australian government and its corresponding media coverage had a devastating consequence for Australian pastoralists and their families. I decided then it was time to return to study to examine this fraught relationship between Indonesia and the Australian press and how this in turn can impact business engagement between the two neighbours.
Introduction

Indonesia is often described by politicians, strategists and diplomats as Australia’s most important relationship. Although strong business fundamentals exist between the two countries – a complementary mix of natural and rural resources, opportunities for investment, a young and vibrant workforce in Indonesia – trade between the two countries lacks lustre. Despite Indonesia’s size, proximity and potential as an investment partner, it is Australia’s 12th largest trading partner, behind Malaysia and Thailand. For business people in Western Australia looking beyond its borders for new markets, Indonesia would seem an obvious and likely fit. Seven out of the ten closest capital cities to Perth, often described as the most isolated city in the world, are located in Indonesia. However, the hard statistics show business relationships are slow to live up to their full potential. Indonesianists argue fear has dominated Australia’s political rhetoric about Indonesia and its associated media coverage. This dissertation will examine the extent to which Australia media’s reporting impacts on the perceptions of West Australian business people doing business with Indonesia.

In preparation for the dissertation the research question was considered in light of media and communication theories. Theories such as agenda setting in the media, the amplifying effect of the media and the media’s role in nation branding helped frame the interview questions. A decision was made to structure the dissertation by first outlining the history of reporting and its impact on bilateral relations and then get into the theory by teasing out the main issues that cropped up in the interviews by placing them within a theoretical framework.

The paper is split into two halves, background, methodology and research (Chapters 1, 2 & 3) and then the findings of the inquiry (Chapters 4, 5 & 6). Chapter 1 will take a look at the history of bi-lateral relations with a special focus on the issues and perspectives that have piqued media reporting. Starting from the point of Indonesian Independence in 1945, this chapter will look at the changing nature of Australian media reporting in Indonesia, particularly the role of the foreign correspondent in the
modern newsroom. It will describe the relationships between successive Australian Governments and Indonesian leadership and how this has shaped the media coverage of the day. It will also examine the assertion by government, academics and diplomats that the Australian media have become scapegoats for tense bilateral relations between the two countries.

Chapter 2 will introduce and unpack two research papers that analysed the impact media reporting has had on Australians’ perceptions of a trading partner. The first paper is a 2015 recent Monash University study which uses public opinion polls dating back to the 1940s to evaluate Australian people’s attitudes to Indonesia since the country declared its independence (Sobocinska, 2015). The second, a Griffith University paper, was written in the 1980s about the Australian media’s impact on the burgeoning business relationship between Japan and Queensland (Chalmers, N & Mitchie, S, 1982).

Chapter 3 describes the methodology of this dissertation; it explains the chosen style of interviewing, provides a list of stock questions, describes why certain people were chosen to be interviewed and explains the environment and factors at play during the interview process.

The second half of the dissertation analyses the findings. Beginning with a quick snapshot of all findings, Chapter 4 discusses issues that relate to the original intention of the dissertation. This chapter discusses common threads found in interviewees responses to stock questions and then places those reactions in the context of media and communication theory.

Chapter 5 examines the surprising findings of the dissertation that fell outside of its original scope. Through interviews with highly connected business people many new and interesting points of view were uncovered outside what one may read in the media. Chapter 6 draws conclusions from the findings of the dissertation.
Chapter 1 – Background

This chapter will take a look at the history of Australian/Indonesian relations since Indonesia’s Independence in 1945.

The history of bi-lateral relations as told by the Australian media.

Indonesia and Australia have often been described as “strange neighbours” (Ball and Wilson, 1991, p 130). In language, culture, religion, history and political, legal and social systems the two countries could not be more different. Indonesia is a tropical archipelago, densely populated, developing economically, with a largely Islamic, ethnically diverse population. Australia is a land of vast open spaces, relatively unpopulated, economically developed, with a largely Christian population. As former Foreign Minister Gareth Evans writes “usually neighbours share at least some characteristics, but the Indonesian archipelago and the continental land mass of Australia might well have been half a world apart,” (Evans, 1992, p 1). Although politicians recognise the strategic importance of the bilateral relationship, relations between the two odd bedfellows have fluctuated sharply since the declaration of Indonesian independence in August 1945.

Australian media outlets were quick to recognize the importance of an independent Indonesia to Australia with many maintaining a foreign correspondent on the ground for the past 70 odd years. Yet despite this commitment to reporting the region, the Australian press is often blamed by politicians to be the biggest cause of bilateral relations disturbances between the two countries. One of Australia’s longest serving Indonesian foreign correspondents Hamish McDonald of Fairfax had lashed out at this criticism at a gathering of journalists hosted by the Lowy Institute in Sydney. “It’s a cop out for the politicians to load it all onto the media and blame the media for the poor state of relations, and to say but for that, things would be fine. We tend to be the whipping boy for the failings of our governments” (McDonald, 2015, Lowy Institute 2015).
Australian news organisations first had a presence in Indonesia post-independence in 1945. Initially the Indonesian government was open to the Australian media presence there, reflecting the cordial relationship between the Sukarno and Chifley Government (Sulistiyanto, 2010). Ross Tapsell, in his book *By-lines, Balibo, Bali bombings: Australian Journalists in Indonesia*, says Australian journalists were given easy access to Indonesian politicians, citing cartoonist Tony Rafty’s close relationship with President Sukarno (Tapsell, 2015). However, during the Cold War period of the 50s and 60s the world’s political landscape changed, and Australia and Indonesia found themselves on broadly different political and ideological paths. By 1965, the Communist Party of Indonesia (PKI) had grown to become the largest political party in the country.

On 1 October, 1965, six Indonesian generals were murdered instigating mass killings of alleged Communists. The numbers dead have never been quantified, but it is believed up to one million PKI supporters were murdered. Australian reporters were often the first Western media on the ground. However, Ross Tapsell says in his earlier study ‘Australian Reporting of the Indonesian Killings of 1965-66: The Media as the ‘First Rough Draft of History’ journalists struggled to have stories published back home. As Tapsell notes, “despite the systematic nature of the massacre, the number of civilian victims, and Australia’s proximity, the Indonesian killings of 1965-66 received very little news coverage in the Australian media” (Tapsell 2008, p 212). Tapsell concludes that in the rush to write the first draft of history, Australian journalists treated the killings in Indonesia as a background to the story of the leadership change from Sukarno to Suharto and the defeat of Communism in Indonesia.

However, Richard Tanter believes Australian reporters succumbed to the anti-Communist ideology of the day (Tanter, 2002). Tanter gives the example of a visit by then Prime Minister Harold Holt to America. When asked about the pro-Western shift of Indonesian foreign policy under the Suharto government, Holt replied, “with 500,000 to 1 million Communist sympathisers knocked off, I think it is safe to assume a reorientation has taken place” (cited in Tanter 2002). Holt’s comments were reported in *The New York Times* the next day, however were never reiterated in the Australian press. From that Tanter concluded “the Australian reporters touring with the Prime
Minister or their editors protected their readers from their need to face the historical and moral reality of the genocide next door,” (Tanter, 2002).

In 2007, the late Professor Jamie Mackie wrote a paper for the Lowy Institute entitled, ‘Australia and Indonesia: Current Problems, Future Prospects’ outlining the ups-and-downs of the Indonesian and Australian relationship since independence. The 150-page document relates Professor Mackie’s many anecdotes of observing developing relations between the two countries, both from the point-of-view of a scholar of Southeast Asian studies and as an influential proponent of government reform in Australia. Mackie is credited with being instrumental in the abolition of the White Australia Policy in the seventies (Kian Wei, May 2011). Mackie (2007) identifies the two chief trouble spots for the two countries engagement as Papua (formerly West Irian) and East Timor. As he notes:

These have dominated the course of the relationship between us more than any other issue... Memories of the tensions created by these issues linger on in both countries, however, often as wild distortions of the true story, and they colour opinions and popular attitudes in ways that could again compound any problems that may arise (Mackie, 2007, p 44).

These two hotspots largely feature in both countries’ national psyche. In Indonesia, the push by West Papuans to become independent, and any perceived support overseas for that separation, can be seen as a threat to Indonesia’s nationhood (Mackie, 2007, pp ix). For many Australians, East Timor holds a special place in their heart as many credit the local Timorese for keeping their relatives safe from the Japanese during World War II. This shared history caused an enormous backlash for the Australian government in 1975 when the Indonesian army invaded East Timor, killing thousands of locals (Mackie, 2001, p 135). The swirling criticism of the Whitlam government was compounded by the death of five Australia-based television journalists and a cameraman in the East Timorese border-town of Balibo in October 1975. Questions still surround how much the Australian government knew about the so-called “Balibo affair”. A search through The National Archives of Australia reveals letters written by
the public about the annexation of East Timor are still suppressed. It is interesting to note that the official national archive of the Australian Government sees fit to raise (and publish) the many questions surrounding the death of these six men. As the website outlines:

The deaths and events surrounding them have had a significant impact on public sentiment in Australia towards Indonesia and on diplomatic relations between the two countries. Many questions have continued to be raised about the Balibo affair. Were the journalists killed in a cross fire during a skirmish between UDT and Fretilin forces - as the official Indonesian line suggests? How much did the Australian Government know about the attack on 16 October? … (National Archives of Australia website, accessed December 2015)

Although the matter has been investigated by both the Australian Federal Police (AFP) and the Australian government it is of little comfort to relatives because to this day questions surrounding their death remain unanswered. In 2007, New South Wales State Coroner Dorelle Pinch found the Balibo five were deliberately killed. However a war crimes investigation by the AFP was dropped in 2009 citing insufficient evidence. The Balibo affair and the East Timorese invasion soured relations between Australia and Indonesia and led to strong criticism of Indonesia by the Australian press. Following the invasion Australian journalists were prevented from entering Indonesia (Hurst, 1987). This did not discourage Australian journalists from reporting about the situation in East Timor, however the Indonesian government’s “refusal to allow Australian journalists or independent observers access to East Timor after the invasion reinforced the Australian media’s view that the Indonesians had something to hide” (Hurst, 1987, p 346). Indonesia’s invasion of East Timor coincided with the election of a coalition government under Malcolm Fraser, and Australia was one of the few western countries to officially recognize the annexation of East Timor into Indonesia in 1978 (Hurst, 1987). According to Tapsell (2015), the 1975 invasion of East Timor and the death of the Australian correspondents have left a long shadow over relations between Indonesia and Australia. Tapsell (2015) believes some members of the
Indonesian government, to this day, perceive that Australian journalists have maintained a vendetta against Indonesia ever since.

Although relations between the two governments eased in the eighties, tensions between the Indonesian government and the Australian media came to a head again in the mid-80s. Australia relied on information from international wire services for news about its nearest neighbour as the Indonesian government refused entry visas to Australian journalists while continuing to allow access to other foreign correspondents (Hurst, 1986, p 345). The reason given for the ban was a story covering alleged corruption and cronyism by family and friends of President Suharto written by foreign editor David Jenkins and published on the front page of the *Sydney Morning Herald*. Hurst (1986) argues in his paper that the fallout from the story was particularly difficult for the Australian government. “It could not condemn the *Sydney Morning Herald* without seeming meek and cowardly to Australians, and, worse, inviting the criticism that it was interfering with the freedom of the press” (Hurst, 1986, p 345).

The fallout in diplomatic relations spilled out to a disagreement between the Australian Journalism Association and its equivalent in Indonesia, Persatuan Wartawan Indonesia (PWI). PWI sent a telex to the AJA stating Australian journalists would be unwelcome until further notice (Hurst, 1986, p 349). The reaction to the David Jenkins article was, as Hurst argues a clash of cultures, but this clash was not only between governments and the media but it strikes to the heart of how both societies viewed the role of the media at that time. The diplomatic situation worsened when the *Australian Financial Review* reported that the Indonesian government postponed its negotiations with the Australian government on the seabed boundary in the Timor Gap (Hurst, 1986, p 349). This time the public felt the brunt of the reaction, with 180 civilians stranded at Denpasar airport after the Indonesian government decided to cancel visa-free entry for Australian tourists. Singaporean Prime Minister Lee Kuan Yew (Lee, National Australian Press Club, 1986) weighed into the diplomatic dispute arguing the Australian press had to ask itself whether its “highest duty” was to “publish or be damned” or whether the media had a responsibility to protect its national interest. This sentiment was obviously shared by the Indonesian government because it was
another ten years before a *SMH* journalist was allowed entry into Indonesia (Kirschke, 2002).

One of the most contentious issues between the Australian and Indonesian governments since the 70s was the negotiation of the large maritime boundary between the two countries and the ownership of the large tract of valuable petroleum products that lie beneath. The issue of control over the off-shore oil fields to the east of Timor was settled by two Foreign Affairs Ministers Gareth Evans and Ali Alatas in the Timor Gap negotiations in 1989. Reportedly, the pair circled the 61,000 square kilometre “zone of cooperation” in an RAAF plane and toasted the deal with champagne in a deal often parodied by Australian newspapers (Maloney & Grosz, 2012). The split was 50/50 for forty years (until 2029), when it will have to be renegotiated. Mackie writes that there were rumblings from Jakarta that Australia took Indonesia to the cleaners by insisting on continental shelf principles covered by international law (laws which no longer apply) rather than a mid-way line between the two countries (Mackie, 2007, p36).

The Keating/Evans leadership marked a more harmonious period of diplomatic relations. It was a time of unprecedented economic growth in Indonesia and for the first time Australians saw fit to invest in their neighbour (Mackie, 2007, p 1). Much of the rapport was as a result of the close personal relationship between Prime Minister Paul Keating and President Suharto. An obituary written by Keating following Suharto’s death reflected the closeness of the two leaders’ relationship. Keating wrote, “Indonesia’s former president has been unjustly maligned. We should be grateful for the security on our doorstep – for which we have him to thank” (Keating, 2008). More than a decade later, Keating pulls no punches in pointing a finger at the reason for the President’s “maligned” state:

Unfortunately, I think the answer is Timor and the willful reporting of Indonesian affairs in Australia by the Australian media, in the main the Fairfax press and the ABC. Most particularly and especially *The Sydney Morning Herald* and to a lesser extent *The Age*. This rancour and the misrepresentation of the
true state of Indonesian social and economic life can be attributed to the “get square” policy of the media in Australia for the deaths of the Balibo Five – the five Australian journalists who were encouraged to report from a war zone by their irresponsible proprietors and who were shot and killed by the Indonesian military in Timor. (Keating, 2008)

Senior Australian diplomat Richard Woolcott’s eulogy of the “smiling general” alludes to the Australian media’s harsh stance on his presidency. “I suspect that although there were important flaws in his presidency, Suharto’s 32-year rule will be judged more objectively by future historians than it is likely to be now, especially in Australia” (Woolcott, 2008).

The optimism of the mid-1990s about closer economic and political relations between Australia and Indonesia came to a halt following Keating’s defeat in March 1996 and the fall of Suharto in 1998 (Mackie, 2008). The 1997 Asian financial crisis, which swept Southeast Asia, crippled Indonesia as foreign and domestic investors quickly withdrew capital for safer overseas markets. Indonesia was no longer considered an ‘Asian Tiger Economy’; instead its populace was struggling to make ends meet. This rekindled old political tensions, particularly separatist movements in Papua, Aceh and most notably East Timor. It was at this juncture that Prime Minister John Howard saw fit to write a letter to incoming President BJ Habibie suggesting East Timor, after a period of autonomy, should become self-determining (The Age, 2003). A month later, brandishing his letter from Howard in Parliament, Habibie abruptly announced there would be a popular referendum in East Timor in August of that year (Woolcott, 2003). The East Timorese voted widely in favour of independence (78%), sparking a wave of militia violence. The United Nations stepped in and Australia provided half of the troops involved as well as its commanding officer Lieutenant General Peter Cosgrove.

An opinion poll, published on 12 September 1999, found 77 per cent of respondents were in favour of Australian troops forming part of an international force in East Timor (Pietsch, 2010). The arrival of troops on September 16 was celebrated in the Australian press. The Editorial of *The Daily Telegraph* reported thus:
The arrival in East Timor of Australia’s peacekeeping troops is as much a defining moment of our national identity as Gallipoli. It was on Gallipoli’s unassailable slopes in World War I that Australia’s ethos of mateship and loyalty were forged forever in a hail of murderous bullets. Now, 84 years later, Australia faces another onerous call to duty. (Editorial, *The Daily Telegraph*, 1999)

In a speech to the Federal Liberal Party in 2002, Prime Minister John Howard claimed Australia’s involvement in East Timor was “without question the most positive and noble act by Australia in the area of international relations in the last 20 years,” (Howard, 2002). In Indonesian circles, however, Australia’s intervention “was to generate deeper resentment towards us across many segments of Indonesian society than at any time since 1945,” (Mackie, 2007, p61). These resentments were reignited post September 11, as Howard acquiesced to President George Bush’s term of “deputy sheriff” (Brenchley, 1999) about Australia’s role in combating terrorism in the region. The term “deputy sheriff of Asia”, a title later denounced by Howard, made for neat headlines and was reiterated many times in the Australian media.

The Bali Bombings of 2002 shocked both Australia and Indonesia. Media coverage was wall-to-wall in Australia as few communities escaped the horror of the numbers of Australians dead in what many consider their playground away from home. The Australian media covered the trials of the Jemaah Islamiyah perpetrators, particularly of leader Abu Bakar Ba’asyir, closely. “Media outrage in Australia at his apparently lenient treatment by the courts aggravated the strains arising from Australia’s eager participation in the ‘coalition of the willing’” (Mackie, 2007, p 63). However, bilateral relations after the Bali bombing improved greatly because of the highly successful cooperation between the Australian and Indonesian police in the forensic investigations. This institutional bridge building formed the backbone to wide-ranging partnerships between Indonesian and Australian agencies in intelligence, defence, transport and border security, counter terrorism financing, criminal justice and law enforcement (Roberts & Habir, 2014).
Few could predict the wide-reaching media appeal of the arrest and the eventual conviction of ‘Aussie surf chick’ Schapelle Corby for attempting to smuggle marijuana from Australia into Bali. Neither the Indonesian nor Australian media could get enough of footage of Corby’s piercing blue eyes filling with tears as her guilty verdict was read in a Balinese court. The story of how Corby and her family negotiated her arrest, her trial, her conviction, her appeal and how she survived a crowded Asian prison was the stuff of daytime drama and was played out in supermarket magazines, books, tabloid TV shows and telemovies. International media also observed Australia’s fascination with the Corby case. One Al Jazeera article queried “how did a convicted drug smuggler become a national icon?” (Nordfeldt, 2014). The case and Australia’s fascination with it bemused Indonesians with multiple media outlets dubbing Corby the ‘Ganja Queen,’ (Hosking, 2008). Australian commentator Anne Summers believes Australians’ engagement with Corby went well beyond her cinematic sensibility of how to behave in a foreign courtroom when beamed live into Australian homes. She believes Corby was an outlet for catharsis and retribution for a nation suffering the effects of the post-Bali bombings. “It is almost as if Corby has come to embody those vibrant young Australians who died in the blast. She is at least alive, but her face now looks despairingly from behind bars, grim evidence that Bali is not just about beaches, braiding and booze” (Summers, 2005). For the Indonesian media, Corby’s case was yet another example of Australians behaving poorly in a country with a known zero tolerance approach to drug importers.

If Schapelle Corby was to capture the Australian public’s appetite for a story about a girl caught on the wrong side of the tracks in a foreign land, the Four Corners exposé ‘A Bloody Business’, about the mistreatment of Australian cattle in Indonesian abattoirs, hooked into another part of the Australian psyche. This story had it all - hard working farming families, footage of large tracts of northern pastoral lands, Australian Brahman cattle crammed into tight spaces for export, footage of cattle slipping around in entrails in Indonesian abattoirs, frenzied animal activists and righteous government officials. The story broke on 30th May 2011, yet prior to broadcast live cattle trade was suspended to three Indonesian abattoirs based on footage pre-released to Australian exporters. Both the ABC and the Federal Minister for Agriculture Joe Ludwig were well
aware before the broadcast of the wide sweeping effect the program could cause as
80% of Australian cattle exported live go to Indonesia. ABC presenter Kerry O’Brien
opened the program with “tonight we present a program that will shock you. Some
people are bound to find parts of it difficult to watch, as indeed I did. But this is a story
that demands to be seen and heard” (O’Brien, 2011). The story went viral, particularly
segments of video taken from within the abattoir, and the public outcry was potent.
Writing the next day for The Conversation, academic Siobhan O’Sullivan echoed the
thoughts of many on talkback radio and letters to the editor around the country:

Thanks to the brave work of animal activists, the reality of death for Australian
cattle in Indonesia is now widely known throughout Australia and MPs of all
stripes are responding with compassion. It seems clear to me that we do have a
particular moral duty towards animals bred in Australia and that sending those
animals on a long, difficult journey, to be followed by a gruesome death,
transgresses that duty. It also seems I am not the only one in Australia to hold
that view, and for that I am truly thankful (O’Sullivan, 2011).

Within three days of the initial broadcast, a petition to ban live export was handed to
the Australian Federal Parliament with over 160,000 signatures (White, 2011). Three
days later the public outrage convinced the government to ban all live trade with
Indonesia. The suspension of live trade plunged the complex industry and its finely
calibrated supply chain into chaos. All across the north end of Australia stockyards
were overflowing, ports were empty and companies mainly run by Australian family
farmers were without cash flow. News of the cattle trade ban came to producers from
Jakarta, rather than Canberra (Rothwell, 2014). At first shocked, policy makers in
Indonesia responded by moving the domestic market towards self-sufficiency, a
response that Australian academic Ross Tapsell (2011) claims was to save face.

However, the affront to Indonesian pride by Australia’s ban on the trade, apparently
without consultation with Indonesian authorities (let alone Australian cattle
producers), has set back the trust between the two countries a long way. To act in this
way with Australia’s closest neighbour, one of the world’s major trading nations since
the seventh century, was construed as disrespectful. It provided the perfect incentive for Indonesian authorities to reaffirm their intention to become self-sufficient in beef production, an aspiration that they have held for at least 30 years (Tapsell, 2011).

A month later the ban was lifted, but the damage to trade had been done. The decision in Jakarta to cut quotas of Australian animals imported into Indonesia had done untold damage to the northern Australian supply chain. And as Michael Bachelard writes, the diplomatic fallout had done sustained damage to the Indonesian domestic market. As he noted:

> The result was a fiasco. The price of beef skyrocketed and the local abattoirs started hacking into breeding cows and the dairy herd simply to feed the growing demand for red meat. The size of the Indonesian herd fell, and the prospect of real self-sufficiency was, no doubt, set back by decades (Bachelard, 2014).

The reporting of the mistreatment of Australian animals in Indonesian abattoirs quite clearly had an immediate effect on bi-lateral relations between Indonesia and Australia.

> Everyone understands that the present chill over the north is political: self-imposed by the Australian government and matched by the Indonesian desire to limit import dependency and boost its domestic meat production. But everyone can also read the long-term prospects. Indonesia is growing, becoming wealthier each year. North Australia can provide the food supply its neighbour needs, and at fine economies of scale. The fit is perfect (Rothwell, 2012).

The impact of the reporting of mistreatment of Australian cattle in Indonesia was felt politically, economically and diplomatically in both countries. However, despite the political response to the story, a University of Queensland investigation into the media coverage concluded that although the public had a strong emotional reaction to the exposé of cruelty to cattle during slaughter in Indonesia it did not translate into
significant behavioural change on the part of individuals. (Tiplady et al, 2012). Australians did not abandon their Bali holidays.

The precarious nature of bilateral relations was brought to the fore again in late 2013 when whistleblower Edward Snowden’s papers leaked that Australia was gathering intelligence by tapping phone calls not only by President Yudhoyono, but also the phone activities of his wife. Indonesia responded by recalling its ambassador to Australia. The situation worsened when subsequent leaks revealed that Australia was sharing information about a trade dispute between the United States and Jakarta regarding clove cigarettes and prawns. Indonesian foreign minister Marty Natalegawa referred to the incident as mind-boggling. “In my view, in our view, neighbours like Indonesia and Australia – we should be looking out for each other, not turning against one another,” he said (Brown, Australian Broadcasting Corporation, February 17, 2014).

How the SBY spying affair was reported in mainstream and social media in Indonesia and Australia was both interesting and salacious. Liberal Party pollster and Prime Minister Tony Abbott advisor Mark Textor tweeted, “apology demanded from Australia by a bloke who looks like a 1970s Fillipino porn star and has ethics to match,” (Pearlman, 2014). The Prime Minister was quick to distance himself from the tweet. Responding to the diplomatic fallout from the spy scandal protestors gathered outside the Australian embassy carrying signs saying “Boycott Australian products”, and “Abbott you hurt my heart” (Pearlman, 2014). Three days after Textor’s remark, the Jakarta daily Rakyat Merdeka replied with a cartoon that depicted Australian Prime Minister Tony Abbott in his trademark Speedo swimmers as a Peeping Tom behind a door proclaiming “ssst Oh MyGod Indo... So Sexy,’ (Rakyat Merdeka, 2012). Tantor concludes the coverage of the SBY scandal was intentionally offensive and provocative “as with Textor whispering to the Australian suburbs, Rakyat Merdeka found a way to whisper to the kampong” (Tanter, 2014).

Public opinion has often shaped the bilateral relationship between the two governments, particularly since Indonesia has become a democratic country. One of
the clearest examples of this was the diplomatic flashpoint caused by the death by execution of two convicted Australian drug smugglers, Andrew Chan and Myuran Sukumaran. On the Australian side of the fence, Prime Minister Tony Abbott pleaded for clemency for the pair, on the Indonesian side the newly elected President Joko Widodo remained firm on his election platform of waging a war on drugs and executing convicted drug smugglers. The outrage in both countries reached fever pitch when Abbott publicly spoke of his displeasure with the Indonesian government. As Abbott said:

We feel grievously let down. Let’s not forget that a few years ago when Indonesia was struck by the Indian Ocean tsunami, Australia sent a billion dollars worth of assistance. I would say to the Indonesian people and the Indonesian government: we in Australia are always there to help you and we hope that you might reciprocate in this way at this time (Allard, 2015).

The response from Indonesia was swift, particularly on social media. People from Aceh began the KoinUntukAustrali# campaign, collecting spare change to ‘repay’ the $1 billion worth of aid given to Indonesia after the 2004 Aceh tsunami. One campaigner told The Jakarta Post he felt Abbott’s use of humanitarian aid as a bargaining tool was arrogant and showed no respect for the people of Aceh (The Jakarta Post, 2015). The outrage expressed in the Australian media reflected sharply contrasting community attitudes in Indonesia and Australia about the merits of the death penalty. As television presenter and academic Waleed Aly expressed the day after their execution, “Indonesia’s anger has been clear and growing for years now. No doubt some of that rage is cynically confected for domestic consumption, but the underlying sense that we feel entitled to push them around is not mere theatre. In seeking clemency we were asking for a favour – one that could cost Jokowi some skin” (Aly, 2015). Michael Mullins (2015) argues Indonesia’s lack of response to Australia’s plea for clemency can be traced back through history. He argues Indonesians “remember better than we do” Australia’s implicit involvement in the deaths of East Timorese during the invasion in 1975 and the jubilation in parts of Australia about the execution of the Bali bombers in 2008 (Mullins, 2015, p24). Former ABC correspondent Helen Brown argued, at a
conference at the Lowy Institute this year, that reporting on Indonesia, particularly for Australian foreign correspondents has always been tricky and for this reason stories are often simplified and framed by journalists (or their editors) in terms of stereotypes for the Australian audience.

I think the stereotypes persist mainly from the Australian side, mainly because Indonesia is a very difficult place to report on. Australia takes note of Indonesia when it’s a big bang issue, particularly like terrorism and asylum seeker, bombings, minorities been hurt, there is also a lot of nuance around these issues. The challenge for a journalist is to explain these nuances right. And then of course you have the idea that the audience is willing to listen to that and take it on board. (Brown, 2015).

There is no doubt the framing of the reporting of stories such as the live cattle trade can aggravate diplomatic tensions between the two countries. However, as Hamish McDonald argues, it can be a cop out for Australian politicians to blame the media for the poor state of relations between Indonesia and Australia (McDonald, 2015). It is often the public’s opinion in both democratic countries of the so-called “big bang” issues that is shaping government policy and bilateral relations often resulting in tragic outcomes.

This chapter has attempted to provide a backdrop for the dissertation by cataloguing the relationship of the two countries as reported by Australian journalists and placing that within its political and historical context. This next chapter will further break down the question: to what extent the Australian media’s reporting of Indonesia impacts on the perceptions of West Australians wanting to do business there? This next chapter, therefore, will look at what is central to the question - that of the notion of perception. It will examine similar studies that looked at the extent to which the work of the media can impact upon people’s attitudes.
Chapter 2 – Relevant Studies

For the purposes of the scope of this dissertation the preceding research is very limited. The two most important, relevant studies, are Dr. Agnieszka Sobocinska’s recent research “Australia-Indonesia Attitudes Impact Study – Historical” (Monash University: 2015) and a 1982 Griffith University study entitled “Business and Media Perceptions of Japan: A Queensland Case Study.” The pros and cons of these two papers shaped the methodology of this dissertation. This chapter will examine this research: Sobocinska’s work examining Australian attitudes towards Indonesia and the extent to which it affects bilateral relations, and the Griffith study examining the media’s impact on the business relationship between Japan and Australia.

Previous Studies

Although there have been a number of books written about the role of the Indonesian media in a changing political landscape, the research is less demonstrative of the role of external media relations between Indonesians and neighbouring countries, of which Australia is significant. *Media, Culture and Politics in Indonesia* (Sen & Hill, 2000) is a landmark study on the intersection of media, culture and politics in Indonesia. The book focuses on the institutions and policies which determine what Indonesians read, write and watch in the Indonesian media landscape. This study was done mostly within the context of the New Order regime, marked by the the thirty-year reign of President Suharto, and also at the beginning of the era of social media. *The Internet in Indonesia’s New Democracy* (Hill & Sen, 2005) is a sequel to their 2000 book with a strong focus on how the Internet has enabled change in a transitional and post-authoritarian Indonesia. It also charts the development of Indonesian media in a newly, democratising society. In her 2003 book, *Politics and the Press in Indonesia: Understanding an Evolving Political Culture*, Angela Romano changes the focus, largely looking at the day-to-day working life of Indonesian journalists and how they are shaped by political and cultural factors, such as Pancasila (national ideology), corporatism and Suharto’s New Order. Philip Kitley’s *Television, Nation and culture in Indonesia* (2003) analyses not just the cultural institution of television in Indonesia and
its ‘nation-building’ elements, but also the reception of Australian television serials, 
such as prime time soap *Return to Eden*, by Indonesians, especially during the 1980s
and 90s. This book does offer a glimpse of cultural attitudes of Indonesians towards
Australia (and Australians), but does not delve sufficiently into the reversal of roles and
attitudes, namely the impact of Australian media reporting of Indonesia on the
Australian public.

Ross Tapsell’s book *Bylines, Balibo, Bali Bombings* is an important reference in setting
the scene for this dissertation (see Chapter 1). Tapsell collates the stories of the many
Australian journalists that have reported Indonesia from the end of World War 2 until
the present day. The book is a fascinating examination of the issues that have
restricted Australian journalists in their reporting of Indonesia, including the
constraints from government and military officials, news executives, and the role of
the newsroom in setting the foreign news agenda. It does not however, significantly,
explore how Australian media reporting has affected bilateral relations, focusing its
intentions on the roadblocks faced by journalists.

Chapter 1 has found in the historical review of the Australian media’s reporting of the
Indonesian/Australian relationship that the press has often been blamed by politicians
for triggering tensions in bilateral relations. This research dissertation, while discussing
the media’s impact on the public opinion of Indonesia, will further narrow down the
discussion to the views of a particular group of people: West Australian business elites.
These business people have a vested interest in the state of bilateral relations, as they
have so-called “skin in the game”. This chapter undertakes to examine the relevant
studies to identify their efficacy and applicability, or otherwise, to the present
research.

‘*Australia-Indonesia Attitudes Impact Study – Historical*’

The Monash University study examined popular attitudes in Australia to Indonesia
since 1945 and evaluated the extent to which these attitudes impacted on
contemporary foreign policy. The final report attempts to build an understanding of
what Australians think of Indonesia, why they think what they do, and then examines the effect these perceptions have on bilateral relations.

The report systematically collates results from the public opinion Gallup Poll, which began operating in Australia as the Roy Morgan Gallup Poll in 1941. The Gallup polling results allow the report to track over time the “broad contours of mainstream Australian ideas about Indonesia” (Sobocinska, p9). The study includes results from the Australian Electoral Study of 1993-2001, which of all the public opinion polls consistently found the most anxiety regarding Indonesia (Sobocinska, p25). It also examines results from the Lowy Institute’s Annual Poll that has measured Australian public opinion regarding foreign policy annually since 2005. This dissertation will also refer to the Lowy Institute Poll as it often referred to by business people as a benchmark of general sentiments of Australian bilateral relations. To examine the historical view, my research has chosen to examine the media reporting of the day (see Chapter 1) over a period of time as opposed to the use of historical polls to build the picture of the broader relationship over time.

The “Australia-Indonesia Attitudes Impact Study – Historical report” has a number of crossovers with this dissertation. Sobocinska also identifies public opinion as key to the Australia-Indonesia relationship. Her report concludes that Australians’ attitudes vacillate from expressing a desire for closer relations with Indonesia while nurturing a deep suspicion and anxiety that Indonesia poses a threat to Australian security. This dissertation will discuss the role the Australian media has in shaping these dual track attitudes. Sobocinska concludes popular opinion towards Indonesia has had both a direct and indirect influence on Australian foreign policy. She identifies key tension points where public opinion held sway over the government’s management of issues, including the treatment of live cattle exported to Indonesia and the numerous times Australians have found themselves caught up in the Indonesian judicial system. Similarly, this dissertation has found there are times in the bilateral relationship that both the Indonesian and Australian governments have to some degree played to their electorate. Political scientist John Zaller argues when it comes to media politics, there are three principal actors: politicians, journalists and the public (Zaller, 1999). As such,
this dissertation will look at the role each of these three principal actors play in shaping bilateral relations rather than focusing primarily on public opinion.

Sobocinska interviewed a number of key figures in the Australian Government Department of Foreign Affairs and Trade, the Lowy Institute for International Relations and academics as part of the study. These interviewees were well aware of the content of the polling results over the years. It also fell within their job descriptions to keep a close eye on the effect of public opinion on contemporary foreign policy-making. This dissertation has chosen to look at a different group of people, who were not often heard in the media but had economic incentives in a good bilateral relationship. The content of these interviews gave another dimension to the knowledge base around Australian-Indonesian bilateral relations, outside of what is commonly heard in the press.

The Sobocinska case study, which was partially funded by the Australia-Indonesia Centre, had a number of key recommendations for further research into the relationship. Suggested topics include research on the cause of Australians’ sense of insecurity and why it continues to persist despite ongoing peace and stability and research in history and cultural/media studies to help explain the drivers of Australian attitudes to Indonesia. Along the same lines, I seek in this dissertation to look more closely at the extent to which the media is a driver of Australian attitudes to Indonesia and what impact that has on the business relationship between the two countries.

**Business and Media Perceptions of Japan: A Queensland Case Study**

In 1982, two Griffith University academics produced a paper examining business and media perceptions of the Japanese-Australian relationship. The paper surveyed 35 Brisbane-based business and media executives about their perceptions of how the media impacted upon bilateral relationships between Australia and Japan. At that time, Japan’s economic success was receiving increasing international media attention and Australian businesses were seeking to make their mark on that emerging economic success story. Similarly, Indonesia has been earmarked by the global
investment community as a growing economic success story and one many Australian businesses would like to get involved with. Like Japan in the eighties, the Indonesian narrative does not play well in the Australian psyche.

The Griffith University survey found although Japan was going through a time of great change, respondents’ attitudes were still affected by the actions of the Japanese in World War 2 with twenty percent of business and media leaders agreeing that “the war when dealing with Japan cannot be ignored,” (Chalmers & Mitchell, 1982, p 9). Polling of Australian attitudes to Indonesia also speaks of a long held suspicion and anxiety. The Griffith University survey did conclude, however, the image the public held of Japan was not “necessarily the perceptions of decision makers or leaders of interest groups in Australian society,” (Chalmers & Mitchie, 1982, p1). It also concluded that those with economic ties with the Australian-Japan trade relationship tended to feel that the war should be forgotten when dealing with Japan and the respondents were “unconcerned with the possible re-emergence of Japanese militarism,” (Chalmers & Mitchell, 1982, p 9).

Unlike the Griffith University paper, it was decided this study would limit the pool of interviewees to business executives, eliminating the opinions of media professionals in order to avoid the agenda of the newsroom seeping into the final findings. In addition, business executives with dealings in and with Indonesia are more privy to the nuances of the state of bilateral relations between Australia and Indonesia, all interviewees had regular face-to-face interaction with their Indonesian colleagues, many spoke Bahasa Indonesia and were educated about Indonesian culture. Each interviewee was not only attuned to Indonesian culture but keen media watchers and were across the political landscape of both countries.

These two papers informed the methodology of this dissertation and also influenced decision-making about the background of the participants in the research. The following chapter will outline the methodology used to collate the data for the final analysis.
Chapter 3 – Methodology

The purpose of this study is to investigate the extent to which the Australian media’s reporting of Indonesia impacts on the perceptions of West Australians doing business there.

This chapter describes the research methodology used by the study; it explains the chosen style of interviewing, the choice of interviewees, and provides an explanation of the approach to the interpretation of those interviews.

Research Methodology

A qualitative approach was used for this study. Over a period of three months from March 2016, a series of open-ended, semi-structured interviews were conducted and recorded with a group of nine influential West Australian business people with interests in Indonesia. Each interviewee was asked the same set of open-ended questions in the interview. However, by adopting a semi-structured method it allowed freedom to further explore interesting points made by the respondents as they arose.

In her book Research Methods for Media and Communications, Niranjala Weerakkody writes that depth interviews allows a study collect data from respondents when the subject matter is one “that cannot be directly observed or measured,” (Weerakkody: 2008, p 166). As this research is interested in taking a litmus test to business peoples’ perceptions of a relationship, it was decided that depth interviews would be the most appropriate way of doing this. A literature review revealed that in political circles the media had often been blamed for the poor state of social, economic and political relations between Indonesia and Australia (McDonald, 2015, Lowy Institute 2015). This dissertation was interested in the point of view of the business world. Although sample surveys can be an important tool for collecting and analysing information for a small group of people, it was decided that more could be gleaned for the study by chatting face-to-face, individually, and at length, to a select group of elite business people. This
provided both verbal and non-verbal data (Weerakkody 2009) for the final analysis. The study asked questions that allowed interviewees to share their opinions, feelings, motivations and their recollections of incidents in their time of doing business in Indonesia.

I would argue that the Griffith University study (see Chapter 2) was stymied by its survey approach to research. A survey method would not allow participants to expand on their responses to questions, or qualify their position on the bilateral business relationship, instantly limiting the findings of the research. Also it is evident that communication methods have changed vastly since the 80s. It has been argued that there has been a decline in the quality of data that can be gathered by surveys (Hill et al, 2016, p 1) as the way people communicate with one another is radically different in this digital age. Hill et al (2016) argue that ideally a survey should be a “a conversation” between researcher and respondent. They found the current pace of technology and the pervasive use of social media has created participant fatigue with survey research.

Pamela Atieno writes that it is useful before starting research to take an “armchair walkthrough” (Atieno, 1999, p 7) through the topic and visualise which research method would best suit the question at hand. In this case it was decided the best way to find out how media reporting affects business attitudes was to ask business people who potentially could be most affected by the reporting. In his 2009 paper on qualitative research, Thomas Diefenbach criticised the use of research based on semi-structured interviews, querying “whether they can contribute anything at all to the progress of social sciences, or whether it’s nothing else but more or less interesting stories (or fairytales) we are told.” (Diefenbach 2009, p 875). Caeili et al. went further arguing qualitative methods can lack rigour in the final analysis (Caeili et al, 2003, p 7).

However, Diefenbach concluded in his paper that qualitative research by its very nature was explorative and researchers “should challenge even their most basic assumptions and see ‘things’ from as many different perspectives as possible,” (Diefenbach 2009, p 877). This research selected a group of individuals who could give differing perspectives on the same problem, however they all shared a number of
common characteristics. The pool of nine interviewees comprised well-informed, media savvy, business people with an ongoing relationship with Indonesia. Each interviewee was connected politically, attuned with both the machinations of a newsroom floor and what created news agenda, and importantly, affected in their business lives by the outcome of any changes to the bilateral relationship. This group of 'high-flyers' were not traders who were solely taken-up with their individual business, but business people who were deeply invested in Indonesia and its developing relationship with Australia. It was also decided, because of the calibre of the pool of interviewees, not to restrict them during the interview process. The research allowed room for participants to move beyond the scope of the stock questions. Interviewees were invited to chat about other issues they perceived as critical to the business relationship. This proved to be a useful way of approaching the research as this less structured part of the conversation led to further findings beyond the original question (see Chapter 5 – Further Findings).

Interviewees

This research wanted to get beyond the rhetoric of "power-conscious" interviewees often quoted in the press and talk to interviewees who were connected personally, socially and importantly economically to what they were reading on a regular basis in the Australian press.

Furthermore, in particular power-conscious interviewees of higher social status (for example politicians, celebrities, members of the establishment, professionals, and any kind of senior managers) often provide little more than official statements, mainstream buzzwords and fads-and-fashions twaddle in order to deliberately mislead the interviewer and the public. (Diefenbach, 2009, p 876)

Each of the nine candidate had spent large periods of time in Indonesia with many interviewees conducting business in Indonesia from the Keating era until the present day. A short synopsis of each interviewee’s experience is listed below.
Phil Turtle has a long career in the West Australian and international oil and gas sector. He is the chairman of the Australia Indonesia Business Council (AIBC) and chairs the AIBC’s national mining, oil and gas committee, which gives him unique access to business and government leaders from both sides of the Australia-Indonesia relationship.

Kirstin Butcher is an entrepreneur in the tech industry, who bases her operations in Indonesia. She was the winner of Business News’ 40-under 40 awards in 2004 and has three successful tech start-ups under her belt. She has recently returned to Perth having spent a large chunk of her career in Asia, most recently spending the last three years in Jakarta.

Dean Horton has spent much of his career working in the international banking sector, particularly in Asia. He spent four years in Hong Kong leading the National Australia Bank Asia’s project finance team. Most recently he managed the National Australia Bank’s move into the Indonesian market. He is also involved in the emerging tech scene in Jakarta.

Annemie McAuliffe has a long and distinguished career representing West Australian interests, locally and abroad. She has worked as a management consultant on a range of issues including strategic planning, business planning and performance assessment to the Government and private sector. She was a key player in the establishment of the sister state relationship between East Java and Western Australia in 1990 and headed-up the first WA Trade Office in Indonesia, based in Surabaya.

Greg Johnson has spent thirty years pursuing and operating a range of business interests in Indonesia. His business interests are varied, but substantially rest in the manufacturing industry.

Trish Henderson is the President of the HearingAID East Java group, formerly the Patricia O’ Sullivan Humanitarian project. The project focuses on deepening the humanitarian and people-to-people ties between Western Australia and East Java.
Ross Taylor is a former WA Government Regional Director to Indonesia and has held senior positions, including National Vice-President, of the Australia-Indonesia Business Council. Ross has also held senior executive roles with Wesfarmers Limited and Phosphate Resources Limited, and is involved in philanthropy and cancer-charity work throughout Indonesia.

Stuart Crockett is the Director of International Trade and Investment within WA’s Department of State Development. He is a highly experienced economic development executive with private and public expertise in both investment attraction and export promotion. A lot of his time is spent focusing on attracting business relationships between Western Australia and Southeast Asia, including Indonesia.

Greg Gaunt is the executive chairman of partners at Lavan Legal. Greg has practised in the areas of commercial law and property law for over 30 years and is also a partner in Lavan Legal’s Property Services Group. Greg plays a key role in client relationship management for the firm in Western Australia and in Asia with a particular interest in Indonesia.

**Interview questions:**

Each interview consisted of a set of stock questions that were designed firstly to establish the possible impact Australian reporting had on the participants’ commercial endeavours in Indonesia, and secondly more broadly gain an understanding of the participants’ experience of doing business in Indonesia.

Firstly, each participant was asked:

- Which media outlets do you rely on to inform your decision making about Indonesia?

It was important from the outset to establish each participants’ media habits to understand where they were getting their information from and to what extent they relied on that information to inform their point-of-view.
Secondly, it was then important to establish whether the media did effect the participants’ business dealings in Indonesia.

- Does the Australian reporting of the relationship between Australia and Indonesia affect your ability to do business in Indonesia?

As the research was a litmus test of business peoples’ perceptions of the media’s effect on bilateral relations between the two countries this was an important start to the interview. If the participants’ opinion was that the media had no effect on their business that needed to be established from the outset.

The third set of questions are grouped together as they were an attempt to tease out anecdotal evidence of when Australian reporting had effected business people (Q1) and their relationship with their Indonesian counterparts (Q3, 4). These questions also hark back to Diefenbach’s assertion of the importance of gathering many different perspectives when doing qualitative research. Also this research wanted to tease out not only the role of the press in the Indonesian/Australian relationship, but also the role of politicians (Q2).

1. How has the media reporting affected your ability to do business in Indonesia?
2. Does the political climate between Indonesia and Australia effect business relationships?
3. What feedback to you get from your business colleagues about the Australian media coverage?
4. Do flashpoints in Australian-Indonesian relations ever come up in conversations with your local partners?

Lastly questions were asked of interviewees more generally about their experiences of doing business in Indonesia. These questions were not only designed to garner some understanding of business practice for foreigners working in Indonesia, but more specifically spoke to the issue of perceptions, which was an important part of the research question.
1. What has been the most challenging thing about setting up a business in Indonesia?
2. How important is it to speak the language?
3. Are Indonesian business people open to doing business with Australians?
4. How do you feel Australia is fairing in establishing business relationships with Indonesia?
5. What are the biggest impediments to creating new business partnerships in Indonesia?

**Putting the interview into context**

Each interviewee was contacted by phone and/or email to see if they would like to take part in the research. Once the interviewee had agreed it was established that the interview would be recorded on digital radio equipment. The interviewee then chose where they would like the interview to take place either in their own place of work, a quiet café, or at the Australian Broadcasting Corporation Radio studios in East Perth. All interviewees were aware of the researcher’s job as a broadcaster and business journalist at the ABC. Only one interviewee, Ross Taylor, had been interviewed by the researcher previously. I found it was important to set interviewees at ease by explicitly reminding them that this research was purely for my academic thesis and not for general publication or broadcast, or use by the ABC. I also noticed those who chose to come into the studios were more guarded in their responses to some of the questions. The atmosphere of a darkened studio seemed to change the overall experience of the face-to-face interview. Some interviewees become more defensive in their body language when responding to questions in a studio. I did find once the microphone was turned off participants seemed to noticeably relax. This is not an unusual occurrence in the context of broadcast interviews. In contrast, those who chose to be interviewed in a more relaxed environment seemed quite comfortable to ask for the recorder to be switched on and off depending on whether they were speaking about an issue that was commercially sensitive. Although I had chalked out about an hour for each interview (and carefully monitored the time), all participants were happy to chat for longer than that.
It was an important part of this research to share the opinions and experiences of authoritative figures in Australian-Indonesian business relations. For this reason, a journalistic approach was taken where participant’s interviews were on-the-record and their comments were attributable. Participants signed a consent form which asked for permission for the interview to be recorded and that interviewees agreed to be identified in publications arising from the study. On completion of the paper, all participants were given access via Dropbox or email to the unedited audio of their own recorded interview.

This chapter has outlined the methodology of the dissertation, providing some context of the people interviewed and their relationship with Indonesia and also providing context of the relationship between the interviewer and the interviewee and the environment in which the interview took place. The second half of the dissertation will attempt to draw together the information gleaned from both the literature review and these interviews. Using the summary of all the findings, the second half of the dissertation will consider the findings in light of media and communication theory touching on the role of the media in nation branding, agenda setting by the media and the history of Eurocentricity in Australia.
Chapter 4 - Findings and Analysis

This chapter will analyse interviewees’ responses to the main dissertation question: to what extent does the Australian media’s reporting of Indonesia impact on the perceptions of West Australians doing business there? It places reoccurring responses to stock questions in the context of communication and media theory.

<table>
<thead>
<tr>
<th>Summary of Findings</th>
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<tr>
<td>Media coverage of events amplified the prevailing sentiment between Indonesia and Australia, which impacted business people in their commercial dealings</td>
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<tr>
<td>Interviewees felt the average Australian perceptions of Indonesia were marred by old stereotypes reiterated in the media.</td>
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<tr>
<td>Interviewees believed the Australian press largely reported on the negative stories coming out of Indonesia.</td>
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<tr>
<td>Negative public opinion had influenced Australia’s lack of appetite to pursue business opportunities in Indonesia.</td>
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<tr>
<td>Interviewees said a Eurocentric outlook was at the heart of many of the cultural misunderstandings between Indonesia and Australia.</td>
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<tr>
<td>Interviewees said improved commercial relationships would change the perceived health of bilateral relations, drawing parallels between Australia’s history with China and Japan.</td>
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<tr>
<td>Nation branding was an important tool when doing business overseas. Interviewees felt “Brand Australia” went beyond advertising campaigns and was the purview of those representing Australia overseas, particularly politicians.</td>
</tr>
<tr>
<td>Businesses often preferred to stay “under the radar” in a bid to stay out of the media when bilateral relations went sour.</td>
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Media’s influence on public opinion

In our current era of global communication, where the media can readily reach into our social, private and public lives, it seems a fairly obvious assertion to state that the media wield enormous power in influencing and shaping public opinion (McCombs & Shaw 1972, Lowery and Defleur 1995). To what end then does ‘public opinion’ influence decisions made in commercial endeavours, particularly when those transactions involve a bi-lateral relationship which historically has been fraught as is the case between Indonesia and Australia? This research asked influential business people to what extent media coverage affected their perceptions of Indonesia when pursuing commercial projects there. The research found all participants closely monitored the media in both countries, media coverage did effect business people commercially as it was often a barometer of the prevailing sentiment between the two countries, and thirdly interviewees thought stories in the Australian media were more inclined to be more negative than those in the Indonesian press.

Each interviewee said they habitually kept a close eye on the coverage of Australian-Indonesia relations in both the Australian and Indonesian media. Most scrutinized the major online and print publications in Australia, citing *The West Australian, The Age, The Australian, The Australian Financial Review, ABC Radio, TV and Online* as regular source of information. Most kept a close eye on the English language publications in Indonesia and those with advanced language skills kept an eye on those in Bahasa. Phil Turtle said he monitored the media not only to keep abreast of prevailing sentiment between the two countries but also to look for possible business opportunities.

It’s predominantly Indonesian media that I monitor, for a start there is not a lot of useful information in the Australian media and a lot of what’s in the Australian media is the negative in terms of stories illegal immigration, Muslim threats, and Papua and blah blah blah. And those things aren’t of any interest or value.
Stuart Crockett said he closely watched out for changes of sentiment in the bilateral commercial relationship.

It’s not issues based things, it’s more around sentiment and the desire to do business with and engage with Western Australia or Australia in general. So it’s not so much issues based, my interest and the stuff I read about it, it’s more letters to the editor, in The Jakarta Post and newspapers around sentiment doing business with us as a collective and not as an individual transaction or issue that I’m more interested.

Businessman Greg Johnson said he needed to keep an eye on coverage as “it affects the way I live, it affects my business and I’m not insular about it. What goes on in the Asian region affects Australia.” Taylor agrees: “The media definitely impacts on WA’s businesses wanting to do business in Indonesia. It’s very narrowly based. I would think probably 90 per cent of media inquires are related to Bali and it is always when things have gone wrong. People want to read sensational stories.”

One of last century’s great thinkers about the nature of public opinion was American political writer, Walter Lippman. Ruminating about the change in people’s living arrangements from the small “self-contained” communities of the American founders where everyone knew everyone else, to the increasingly urban and industrialised world of the twenties he concluded the media asserted great influence on the pictures of the world people carried inside their heads (Lippman, 1922). “We can see that the news of it comes to us now fast, now slowly; but that whatever we believe to be a true picture, we treat as if it were the environment itself (Lippman, Public Opinion, p2).

Lippman’s arguments may be even more potent in a world where the mass media infiltrates every aspect of our lives no matter how far flung our living arrangements. Participants in this research universally argued that the picture the average Australian carried inside their head of neighbouring Indonesia was marred by old stereotypes reiterated in the media. President of the Indonesia Institute Ross Taylor said although many Australians were familiar with the holiday island of Bali, many had little or no
knowledge of the giant archipelago of islands that make up the nation of Indonesia. As he puts it:

If we just take Bali out of the picture for a moment, Indonesia is not an attractive place in the minds of Australians. We all feel comfortable about going to Kuala Lumpur we feel comfortable about going to Bangkok. Jakarta, understandably, for some people is this place that offers no attraction to tourists at all. If you take that we don’t visit Indonesia other than Bali, the fact that we don’t have a common base with them through sport and dare I say many think it is a country that is full of Muslims and possible terrorists. I think once you put that into the mix it starts to make the perceptions of Indonesia quite complex. What makes it more complicated is we have fallen in love with this other place called Bali, which is Hindu based. It’s become our personal island we have just under 1 million people going there every year. So one would think that would enhance the understanding, but the understanding of the real Indonesia is pushed to one side.

As in the time of Lippman, Taylor argues that the picture of the “real Indonesia” that many Australians carry inside their heads is not necessarily “the environment itself”, but images fed to them on television of Islamic terrorist cells, and an over populated, congested capital city. Western Australia’s director of international trade Stuart Crockett agrees that the media has a large part to play in the image of Indonesia that the majority of people have in their heads. As Crockett articulates:

The media is massively powerful, in the absence of any true understanding, cultural understanding. If you have an Indonesian living next door to you to get your understanding from. That is if you are lucky enough have an Indonesian living next door. A lot of our learning comes from our media. It’s looked at through an Australian lens rather than the lens of an Indonesian and vice a versa.
Conversely, Kirstin Butcher thinks Indonesian people have a very ambivalent picture of Australia in their mind:

I don’t think Indonesians think a whole lot about Australia, I think they think this is where I’ll send my kids to university and this is where I will buy a holiday home. That’s why we see the upper class here. Underneath that people are just getting on with their day.

**Agenda Setting in the Media**

The agenda-setting function of the media in a democratic political process has been widely studied by communication and political scholars alike (See: McCombs & Shaw 1972, Cook et al 1983, Cappella & Jamison 1997). Starting life as a reporter, American communication theorist Max McCombs knew news stories influenced people (Davie & Maher, 2006), but it was not until later as a scholar he found “in choosing and displaying news, editors, newsroom staff and broadcasters play an important part in shaping political reality” (McCombs & Shaw, 1972, p180). Later McCombs refined this interpretation stating there was second level agenda setting because “the news not only tells us what to think about; it also tells us how to think about it. Both the selection of topics for the news agenda and the selection of frames for stories about those topics are powerful agenda setting roles and awesome ethical responsibilities” (McCombs, 1992, pp. 820-821). Businesswoman Kirstin Butcher agrees the press has shaped how the public perceive Indonesia:

Half of the population is getting their information from A Current Affair and Today Tonight and stuff like that. That’s what they take away. They think I’m not going to Jakarta; I can’t do business there. Of course the media has influence, that’s just a given in all aspects of life. The media informs us and influences us and shapes our thoughts and our beliefs, everything.

Banker Dean Horton goes further. He says the Australian media purposely choose to print negative stories of Indonesia as the audience has an appetite for it. “It’s pretty
easy to write stories about bad news in Bali, or trade clashes, or abattoirs, that’s low hanging fruit for media,” Horton said. “You are going to get circulation. The good stuff, what audience is that going to get?”

Any journalist, regardless of experience, runs through the basic cornerstone questions - who, what, when, where, why and how - when formulating a news story. By doing this the journalist can determine whether the story has news value to its readership. Stories are generally assessed by their proximity (is it local/regional/international), prominence, timeliness (is it happening right now), impact (will it affect the reader), conflict, or of human interest. Journalism students from the very beginning are drilled in the art of “finding the angle” on any given news story. Once the preliminary research has been done, the talent sourced and interviewed, the next step in the process is to “frame the story”. This involves deciding which way the story is written or produced by deciding what is salient and what to select in the final copy (Capella & Jamieson, 1997, p 45).

Frames may have an agenda-setting function by virtue of giving exposure to certain topics and their related subjects and forcing others to the foreground... It is not simply putting topics in the forefront of public discourse and backgrounding others. Rather, framing provides a way of thinking about events. (Capella & Jamieson, 1997, p 45).

An example of framing in the Australian media can be found in the reporting of the ban on the live cattle trade to Indonesia in 2011 after the release of covert footage from an Indonesian abattoir. Reporting by the Australian press was damning of the cattle trade between the two countries, however, business consultant Anniemie McAuliffe believes in this case the agenda was set by the public rather than the media:

I think with all its lumps and bumps we get the press and the government that is part of us. When the press becomes no longer independent we are pushed by whatever pressures there are. Some of those are community. And in the case of the live trade it was the community that pushed them over the edge
with that one. It is then that the press need to remind itself to be reflective of what it is trying to do and remind itself that it is meant to be the fourth estate. It plays an important part in our lives of how we are as a country.

Bernard Cohen argues “the press may not be successful much of the time in telling people what to think, but it is stunningly successful in telling its readers what to think about” (Cohen, 1963, p13). In the case of the ABC’s Four Corners program about the treatment of animals in Indonesian abattoirs it seems the press were “stunningly successful” in telling the public what to think, so much so the Australian government immediately suspended the live trade between the two countries. However, McAuliffe said there was a number of omissions in the coverage of the live trade.

The press acts as an interpretation between the person in the street and the world, but it also has a responsibility to talk about the things that happen and no one would ask the press to obscure what happens. But on the other hand it could become party to extreme points of view because they are the points of view that present themselves to the press sometimes. I think there was an element of that in the live trade issue. I think it could have been fairer to say that people were looking for sacrifices for religious festivals and so probably the number of cattle coming in would have come into an accredited abattoir and would have been filtered to smaller places and it would have been easy to find those at that time. That wasn’t how the trade had been set up. The consequences of confining that trade were immense for our pastoralists and for everyone involved in that trade. Tragedy as far as I’m concerned because the years of ensuring that trade was established was a huge investment for Australia, the Northern Territory and Western Australia, particularly.

The suspension of the live cattle trade between Australia and Indonesia is also an example of what Michelle Wolfe argues is the “amplifying” effect of the media(Wolfe et al 2013, p. 179). “Focusing events can and often do shift the attention to problems or issues that are either novel or were previously unattended or under attended” (Wolfe et al p 180). In this case the focusing event, the suspension of the cattle trade,
had enormous repercussions for the bilateral relationship between Indonesia and Australia. It sent shockwaves through one of the most well established trade relationships between the countries, the beef industry, sending many farmers broke. It also undermined the confidence of business people on both sides of the water who were pursuing commercial relationships with one another.

If the stories in the Australian media are mainly negative, what does that do to the way people think about Indonesia in Australia? Agenda setting theory suggests not only does the media influence what we think about, the media also on another level influence how we think. Wanta et al explored this idea in their 2004 paper “Agenda Setting and International News: Media influence on Public Perceptions of Foreign nations”. Their work examined a national poll conducted by the Chicago Council for Foreign Relations in 1998, and married that with analysis of the coverage of foreign nations on newscasts in the United States over the nine-month period before the survey. Their research found a clear relationship between media coverage of nations and how individuals viewed those nations. Participants in their study were first asked to read a list of 26 countries and asked if the United States had a vital interest in each. They were then asked a series of questions to rate their feelings about a country along a scale from positive (or warm) to negative (cool). This information was cross referenced with coverage of foreign nations on major news channels. The study found that although media coverage and the public’s view of how vital nations were to the United States were highly correlated, the coverage some countries received in the media did not match public perceptions. For example, Saudi Arabia and Kuwait received little media interest, but were relatively high on the public’s vital interest agenda as oil producing nations. Indonesia and India ranked very low in the public agenda but received a lot of media attention. This was because in this nine-month period both countries faced serious political conflicts, India experienced an election marred by violence and Indonesian President Suharto stepped down amid mass demonstrations after 31 years in power.
Interestingly, the research found negative stories showed a clear agenda-setting trend between media and respondents, while the positive and neutral stories did not (Wanta et al, 2004). As they surmise,

Since the more negative news stories a nation received the more negatively it would be viewed, it is logical to assume that the opposite relationship would be found with positive attributes. The more positive news stories a nation received, the more positively it would be viewed. This was not the case. (Wanta et al, 2004, p 374).

There were exceptions though, for example, Mexico received a high number of negative stories in the media but yet was considered warmly by participants. The study concluded that as a neighbouring country, Mexico could have been viewed warmly because of its geographical proximity and because of the relatively high number of Mexican immigrants in the United States. Similar studies in Australia have not found that Indonesia’s proximity has impacted media coverage or public perceptions in a favourable way. Unlike Mexicans in the United States, Indonesian migration to Australia is paltry. Statistics from 2014 found Indonesian-born immigrants make-up 1.2 per cent of Australia’s overseas-born population and 0.3% of Australia’s total population (Department of Immigration and Border Protection, 2014).

The negative media

All interviewees believed the Australian press largely reported on the negative stories coming out of Indonesia. A 2014 Lowy Institute Foreign Policy Poll found this did correlate with Australians’ feelings about Indonesia. Australians were found to have warmer feelings for China, East Timor, Fiji and Papua New Guinea than they did for Indonesia. Australians ranked Indonesia a warmth rating of 52 out of a possible 100 degrees, down from previous years. Johnson suggests Australians’ thinking about Indonesia and its people is archaic and ill informed.
I think it is partly to do with journalism and the culture of journalism, but it is all driven by political events. Things like Timor, Free West Papua, those events have driven the debate. Flowing from that is this political caution and suspicion. It is a culture that has gone back a long way. It’s all the press stories that dominate. There isn’t a story in the last five years that has dominated that doesn’t confirm this Islamaphobia that Australians have, it prevails in the community, it’s widespread.

As Johnson points out, when it comes to the news reported about Indonesia in Australia, it is usually flashpoint situations that dominate news bulletins. As discussed in Chapter 1, news about Indonesia in the Australian media is consistently negative and that trend has continued for decades, which is often frustrating for foreign correspondents covering that patch. ABC foreign correspondent Helen Brown (Chapter 1, p 18) expressed frustration that she found it difficult to pitch stories about Indonesia to Australian-based editorial teams as newsrooms only took note of “big bang” stories, but were uninterested in the nuance around those issues. The old media adage “if it bleeds, it leads,” widely thought to be coined by New York Magazine journalist Eric Poole in 1989, has long been part of newsroom culture with nuanced stories often dumped for more sensational headline grabbing news. As discussed previously (p 37), by its nature the news changes daily, however there are seven factors that are widely considered to play a part in the decision making of a newsroom (White S, 1996, p 12-20). When deciding what makes news headlines, the editorial team weighs up each story by considering its relevance, its timeliness, whether the story includes conflict, whether the event was in proximity to the audience, did the story involve people who were prominent or famous, was the topic current, or was the story of interest because the news event was odd or unusual. In the case of Indonesia, both Brown and Johnson argue that Australian audiences were only interested when the news was negative as the rest of the time news flowing from Indonesia did not meet this checklist and was deemed irrelevant to an Australian audience.
Johnson, who monitors the press closely, particularly letters to the editor and opinion pieces, said he felt frustrated by some of the commentary he had found in the Australian media.

I read some of the stories about Asia, particularly Indonesia, and I think how long have you spent there. You’ve flown into Asia courtesy of one of the airlines and one of the hotels, you have swanned your way around, spoken to a few people and formed a view based on that. You can’t base your ideas through that narrow prism.

Johnson’s argument calls into question Australian journalists’ impartiality when it comes to reporting about Asia. Steven Maras argues in his book *Objectivity in Journalism* that objectivity is “so commonly associated with impartiality, detachment and value-free judgement that any sign of bias, favouritism or involvement is taken as an indicator of failure” (Maras 2013, p 140). In Australia, objectivity became “a strong norm” (Maras, 2013, p 224) in the 1950s. The Australian Broadcasting Corporation (ABC) has had objectivity written into its governing legislation since the 80s. At the core of objectivity in journalism is a reverence for the facts of a story. However, this would suggest that the journalist simply is a recorder of the facts rather than actively sifting through material to present a story. As Johnson argues, every story regarding the Indonesian/Australian relationship passes through the sieve that is the journalist and the filter that is their newsroom before publishing. Maras argues that in an “engaged” media environment like Australia’s, where the media play a role as the fourth estate, this perseverance for balance “can lead to a skewing effect” (Maras, 2013, p 140). “Fairness can be manipulated. Voices can be silenced... the fourth estate role of the media ties journalistic objectivity excessively to the rules of the political system (in which the media is player), and the movements of the established parties” (Maras, 2013, p 157). Taylor, who has been heavily involved commercially with Indonesia since the early 80s, has found that the 24-hour news cycle has drastically affected journalism in both Indonesia and Australia:
What has happened in Australia and Indonesia the days of quality journalism has gone. We are about reporting as quickly as possible because someone else will put it online. I think in my job at the Indonesia Institute that only on one occasion an editor came back to me to validate where I had got information.

Maras further argues that notions of objectivity in journalism have always been challenged and shaped when media workers have had to adapt to new technology (Maras, 2013). He posits that the way citizens, journalists and media organisations use new platforms and the 24/7 news cycle are “revealing tensions around our historical connection to objectivity and concepts of professionalism,” (Maras, 2013, p 176). Taylor further argues that cutting back on editorial staff has left Australian newsrooms bereft of journalists with Indonesian knowledge.

Lack of interest from readers

Crockett simply believes there is a general lack of appetite from Australians to read about Indonesia and attempt to understand their nearest neighbour.

I’m not sure about a phobia. It’s just been an absolute lack of desire to understand it. I think it comes down to Bali. 800,000 Australians come to Bali each year. Their perception of Indonesia is Bali. They think it’s not super sophisticated. They go there, buy stuff, drink beer and hang out. They have not for one second thought about this emerging middle class. They [Indonesia] have got it going on and we’ve got to figure it out.

All interviewees felt public opinion did influence Australians overall lack of appetite to engage in business with Indonesia. Trisha Henderson, who operates a long-term philanthropic project in East Java, said although her work is less influenced by the media coverage of Indonesia, she found public opinion in Australia of Indonesia was largely skewed towards the negative. “It’s such a big country. When you go to Bali, you’re seeing the tourist veneer. It’s a Hindu country and it is catering for Western desires and needs. The rest of Indonesia well, I find Indonesian people to be very
industrious people, courteous, lovely and it has been enriching of my life working up there.”

Turtle said, in his role as chairman of the WA Australia Indonesia Business Council, it was difficult to encourage businesses to consider the Indonesian market when the country is often painted in a bad light by the press:

The image of Indonesia that is portrayed in the media is quite a negative one. We really have a big job of countering some of those negative stories that act as a disincentive for business. If I’m an Australian business sitting here in Perth and I don’t know anything about Indonesia all I’ve seen is what’s in the paper, I’d be scared. I would think why would I want to go there. Why would I with all of these terrible things that happen. I’ll go somewhere else.

Turtle says although the media cannot be press ganged into reporting “good news”, he is hopeful that eventually there will be positive economic stories stemming from the Australian-Indonesian relationship that cannot go unnoticed by the media.

Political scientist John Zaller’s (1999) differentiation of the three principal actors in media politics – namely, politicians, journalists and the public – is instructive here. A politician’s main goal is to use the media to mobilise public support they need to win an election, a journalist’s main driver is to produce stories that attract ratings/readership and the citizen’s main goal is “to monitor politics and hold politicians accountable on the basis of minimal effort.” These goals are “a constant source of tension,” (Zaller, 1999, p 2). All the interviewees acknowledge this power play that occurs between the Zaller’s principal actors when it comes to the Indonesia/Australia bilateral relationship. Dean Horton observed that the symbiotic relationship between the media, politicians and the public often takes on a life of its own:

The bulk of the population grabs at the sound bite stuff, so whilst the bureaucrats and the politicians have a pretty good understanding of each
other, it’s the masses in both countries that react to the sound bite stuff and then the politicians have to react in kind.

Phil Turtle said he found “domestic politics are very powerful in both countries, we’ve seen that with the executions last year, a lot of that was political leaders playing to their electorate in both countries.” Kirstin Butcher has observed the cyclical nature of Australian politicians’ interest in Indonesia, which she believes often reflects where they are in the electoral cycle:

I don’t think anyone is taking Indonesia seriously. It’s a function of the political system where you have term periods. But with Indonesia, you [business people] have to have a ten, twenty-year commitment long term. It’s not a two to three year. I don’t think anyone is particularly committed to it and I guess we are used to getting on with things.

I think there is a lot of angst in the country [Indonesia] about what their future is, they are hugely nationalistic, and a lot of them think we are going to be the fourth largest market in the world and there is a lot of pride around that, but I think there is a lot of why isn’t anything changing for me? Why aren’t getting better infrastructure. The roads are still congested. I don’t know that they think a lot about Australia. I don’t think so. There is no large impact. It’s another sound bite of Tony Abbott and that’s all it is... It’s a cycle. It just seems to do this constantly this love, hate thing with Australia/Indonesia.

Most interviewees described Indonesia’s relationship to Australia as somewhat ambivalent. Crockett takes this a step further and describes attitudes in Australia as out of step with political reality:

I always think and this is my opinion, Australia looks at Indonesia in the exact wrong way. We look at ourselves as leaders within the ASEAN community, which to me makes no sense. I’m Australian, I’m from here, it makes no sense that we see ourselves as an important player. Indonesia does not look at towards us we have to sell ourselves to Indonesia in my humble opinion
because if you look to a joint venture with Indonesia businesses you are not just looking at 250 million people you are looking at a senior brother in the ASEAN community.

The jaundiced views of all three principal actors in Australian media politics when it comes to Indonesia have amplified difficulties in the developing bilateral relationship, particularly for those trying to build commercial relationships amongst that reality.

In conclusion, each interviewee agreed with McCombs (dating back to the 1970s) when he said the news not only tells us what to think but also tells us how to think about it. They agreed that media coverage in Australia did affect the public’s opinion of Indonesia, often driving the political agenda, and in turn impacting upon their commercial endeavours. Each participant said news stories published in Australia were often a barometer of the prevailing sentiment between the two countries. Participants in this research strongly felt the picture the average Australian carried inside their heads of neighbouring Indonesia was marred by old stereotypes reiterated in the media.

The next chapter will discuss matters that cropped up in the interviews that were outside of the original scope of questioning. This was the distinct benefit of the semi-structured interview technique employed by the dissertation as the pool of people interviewed were all highly connected and experienced business people, who were capable of reflecting on their own experiences to provide meaningful insight into the state of the political, business and cultural relationship between Australia and Indonesia.
Chapter 5 - Unexpected Findings

The initial idea for this dissertation was to examine the extent to which the Australian media impacts on the perceptions of Western Australians doing business there. During the interview process interviewees had a lot to say not only about their own observations of the behaviour and impact of the Australian media, but also of underlying cultural differences and bias between Australia and Indonesia and the impact this had on business relations. This chapter discusses unexpected findings outside of the original questioning and places these interesting observations in the context of media and cultural theory.

The literature review found although the media was often blamed by politicians for disturbances to bilateral relations between Indonesia and Australia, it was more often public opinion of the “big bang” issues that influenced sentiment and shaped government reaction. Universally, interviewees agreed with the hypothesis that the reporting of Indonesia in the Australian media did influence sentiments for those pursuing commercial interests in Indonesia. However, what impact this had on their business dealings differed depending on a number of factors including the amount of time spent operating in Indonesia, the absence/presence of a local partner and the company’s overall commitment to remaining in Indonesia.

This chapter will look at issues pertaining to the cultural differences between the two countries and how these affected business dealings; secondly it will discuss the importance of “Brand Australia” to West Australian companies and, conversely, the effect of pursuing interests in a country perceived to pose significant sovereign risk; and, lastly it will discuss interviewees’ thoughts of what the future might hold for bilateral commercial relationships between Australia and Indonesia.

*It’s just not cricket – cultural difference*

Internationally, market watchers are paying close attention to Indonesia’s economy as it is one of the emerging economies of the world. It is the fourth most populated nation in the world with an estimated population of 252 million (KPMG, 2015, p4) it
has a rapidly expanding middle class, and 50 per cent of its population are under the age of 30 years old. Australia’s two-way trade with Indonesia was worth $14.9 billion in 2014-15 (DFAT website). In comparison two-way trade with neighbouring New Zealand, which has a population of 4.4 million, was worth $660 billion in the same period (DFAT website). Australia’s bi-lateral relationship with New Zealand stems from a common heritage and shared cultural values. Interviewees for this research said Australia’s lack lustre economic relationship with Indonesia was because the two nations shared neither history nor cultural values, which led them often to misunderstand each other.

Australia’s heritage is steeped in its British Colonial past permeating every part of its cultural identity, including sport. In her book, The Yellow Lady, Australian Impressions of Asia, Alison Broinowski (1996) examines why Australia has remained so adamantly Eurocentric despite its proximity to so many Asian countries. Broinowski examines the history of Australian ideas about Asia from pre-colonial times to the 1990s, and concludes that some of these perceptions of the invasion of the “yellow peril”, however irrational and archaic, still shape political and economic decisions. “Politics in Australia sided with history and against geography, even to the detriment of economics,” (Broinowski, 1996, p 198). For Ross Taylor, this ‘Eurocentricity’ lies at the heart of the cultural misunderstanding between Indonesia and Australia. As Taylor enunciates,

I think the driver of the complex relationship probably starts with two facts – I’m not meaning to be flippant – but one Indonesians don’t play cricket and if they did play cricket, as in India, straight away there would be a better understanding of Indonesians by Australians.

Kirsten Butcher thinks Australia’s perceived self image as the ‘lucky country’ has also contributed to a lack of desire to understand and engage with cultures, such as Indonesia, that are unfamiliar.
I think it’s [Australia] had a very easy run. It’s been a super wealthy economy. People have been able to make a lot of money just staying local. I think that Australians when they think about going overseas they think about going to London or cultures that they can kind of understand and it’s not such a big learning curve. Indonesia has been a difficult place to work and live for many years and it goes through cycles of complete self destruction, you’d really have to say, where it really wants to jettison half of its population not just foreigners. So although it is four hours away and 250 million people which makes it super exciting, for most people just the difficulties of operating from government to cultural, to hiring, make it hard when there are other markets that are more welcoming and easier to make money... I take a long term view. All of the bad stuff, lack of infrastructure, complete different work ethics ... I feel its worth the potential upside of being in an emerging market that is potentially like China was ten years ago on our doorstep.

Similar to the Griffith University study on Japan/Australian relations (see Chapter 2), this research found that the perception of Indonesia that was often depicted by the Australian media was not shared by the business elites interviewed. Johnson believes Australia’s economic interest in Japan in the 1980s was reflected in languages offered in Australian public and private schools. “Through language you get connected to the people and the way they think,” he said. “Flavour of the month was Japanese when we were big trading partners, then Mandarin, but Indonesian is not understood politically.” Indonesian language enrolments have plummeted in Australia since the 1990s, eroding soft power diplomatic skills in Australia (Hill, 2012, p1).

Hill argues that the study of Indonesian language in Australia has always been sensitive both to events in Indonesia and how the Australian media covers those events (Hill, The Conversation, 2014). Hill writes: “the Bali bombings in 2002 and 2005 and the rise of militant Islam in Indonesia coloured Australian perceptions of Indonesia and its language.” Likewise, Ross Taylor makes a comparison between public perceptions of Japan and that of Indonesia when he says:
I perhaps shouldn’t draw Japan into this, but I will. If you look at the history of Australia and Japan for example. Look at the Lowy Institute they do a rating about how warmly Australians feel about various countries. Japan enjoys warmth rating about double that of Indonesia. If you look at the history one would think Australians would treat Japan with enormous suspicion. It is all built on these very poor perceptions we have about Indonesia based on suspicion and ignorance combined. If we are to be taken seriously in this region we need to get away from this dogma, which is essentially incorrect.

Research found that as Australia’s commercial relationships changed with a country so too did its perception of the sovereign risk profile of that nation. Greg Gaunt argues this change can be seen with the relationship between Australia and two of its bigger trading partners Japan and China.

I think we’ve looked at Indonesia and thought they are more backward than we are, they are a smaller economy, they are a little bit crazy, it’s a bit mad… At every level we underestimate them, misjudging them a bit, at the end of the day we don’t really care. So Japan came along and we hated them because we were in a war against them but they were buying iron ore and buying gas over a long period if time we came to that situation where we did try and understand them better and appreciate them. The same with China. We came to China seen as the huge emerging economy, Indonesia has not been seen that same way… We came a long way with Japan but it was based around trade the relationship was built. China is the same, we came a long way with China and acceptance of China because of trade. We don’t do much trade with Indonesia.

Broinowski found Australians attitudes to Asia on the whole have been very slow to change because of their European heritage (Broinowski, 1996). Interviewees for this paper believe the catalyst for changing attitudes to Indonesia will be engagement with
its rapidly growing Indonesian economy. Despite the current rhetoric of sovereign risk associated with operating in Indonesia, they were each committed to their future within that emerging market.

**Brand Australia**

Nation Branding is a fairly recent phenomenon (Varga, 2013), one that governments around the world have latched on to in a bid to capture emerging markets in an increasingly competitive, globalised world. However, the idea of a nation’s image being a factor in buying decisions stems back to the late nineteenth century. In a bid to differentiate local products, the British Merchandise Marks Act decreed each trading partner wanting to do business in Great Britain had to label each product with its country of origin. The “Made in Germany” trademark was born and it has been a successful brand for Germany ever since (DW, 2012). Nation branding has a much wider scope than that of country of origin, it can be defined as “the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all its target audiences,” (Dinnie, 2015, p15).

One of the biggest proponents of nation branding, Simon Anholt, argues the perceptions the public carry of a country is very slowly changed because “we carry on believing the same things we always believed about places... there’s something comforting about those simple narratives that we all hold in our minds about places, and something has to change quite dramatically in the real world before we are prepared to alter those stories and replace them with new ones,” (Anholt, 2007, p28).

Anholt has been commissioned by at least 45 governments to assist in nation branding (Khamis, 2012). Anholt collaborated with research consultancy firm, GfK Roper Public Affairs and Corporate Communications, to draw together a Nations Brand Index (NBI) that assessed the brand image of fifty nations based on a number of areas including exports, governance, culture, people, tourism, investment and immigration. According to the NBI, Australia ranked ninth for its overall image but it had a less impressive reputation as a place to do business, invest or receive an education.
Not long after, in August 2009, the then Federal Trade Minister Simon Crean announced the Labor Government would pump $20 million into tendering for an agency that would be charged with the job of updating Australia’s image overseas. Soon after when interviewed on ABC Radio’s AM program he was at pains to point out to taxpayers that branding Australia was no longer just the work of Tourism Australia and would encompass a much larger brief.

We’re trying to sell out goods and services better to the world on the basis of better promoting the full breadth of our capacity. The more I go overseas and talk about our trading opportunities, the more I realise how little that’s understood... (The) tourists already know this is a great place to come and have a holiday. What we’ve got to convince people about is it’s a great place to live, (and) it’s a great place to build your business base from. (ABC Radio, AM, August 26, 2009).

A survey conducted by RMIT’s School of Economics, Finance and Marketing Adjunct Professor Kimon Lycos confirmed Crean’s fears that the work of Tourism Australia overshadowed Australia’s engagement in competitive global markets aside from tourism. He found in international circles “all that people are exposed to from Australia is barbequeing, relaxing at the beach. They become stereotypes,” (Lycos: 2010). The Brand Australia contract was won by MC Saatchi, the agency responsible for New Zealand’s highly successful “100% Pure” campaign and the government launched its digital web platform Australia Unlimited, which documented stories of successful and quirky Australian businesses a year later.

West Australian business people interviewed for this paper recognised the importance of Brand Australia in their day-to-day dealings in Indonesia, but argued that nation branding went beyond advertising campaigns and was the purview of those representing Australia overseas. Businessman Greg Thompson believed journalists, politicians and business people alike have a responsibility to represent Australia in a
manner which reflects a more mature Australia beyond the ocker persona embodied by Paul Hogan in the tourism advertisements of the 1980s. As Thompson pointed out:

I think it does affect our image in Asia. I say to Western management, more particularly our politicians, you are Brand Australia, you are not just the Defence Minister or Foreign Minister, you don't represent yourself and your issues. They look to you as Brand Australia, what you say, how you conduct yourself has a huge impression on what they think of Australia and Australians generally.

O’Shaugnessey and O’Shaugnessey argue in their 2010 paper ‘Treating the Nation as a Brand: Some Neglected Issues,’ that a nation has multiple meanings that is too difficult to summarise in a term such as brand image:

Different parts of nation’s identity come into focus on the international stages at different times, affected by current political events even by the latest movie or news bulletin... Unexorcised demons reappear to afflict a nation’s image. Journalists noted how in the final soccer match of the 1998 World Cup, the multiracial French team triumphed over a German team that was entirely white and rather old. Bad images from the past sleep lightly and are easily awakened. (O’Shaugnessey and O’Shaugnessey, 2010, p58)

Similarly, Thompson argues that the Australia-Indonesian business relationship is haunted by events of the past. He says Tony Abbott’s reaction to the tense diplomatic stand-off surrounding Indonesia’s plan to execute drug smugglers Andrew Chan and Myuran Sukumaran was a case in point. Abbott’s suggestion that Indonesia should pay back Australia aid contributed to the clean-up after the Aceh tsunami in 2004 was met by a massive backlash in Indonesia through the social media campaign, Koin Untuk Australi. Thompson says the impact of Abbott’s response was palpable in Indonesia, eroding any goodwill at the time for Brand Australia. “Absolutely it will play out in the business relationship. I’ve only once had it expressed to me directly. I was in the shopping centre, the man in the shop looked at me and said you are Australian and I
said yes. He said Tony Abbott he is a bad man. Brand Australia, is affected by these events,” he said.

Kirstin Butcher says Tony Abbott’s brand of diplomacy did not wash well with her colleagues, who working in the tech sector are mostly under 30 years old:

Not in my office, my office is so young. In the bule (sic. Bahasa slang for foreigner, usually European) community, Indonesian mix as well, there was contempt for Australia and for Australia’s complete lack of interest actually. So we mostly show no interest and when we do it’s this parochial, we’re better, we’re smarter, we’ll yell what to do, we’ll stamp our authority haphazardly... I think if you look at Abbott and the stance he was taking with Indonesia where he was basically bullying. It is totally the antithesis of how you should be in Indonesia that was pretty embarrassing when you are living there. The general thoughts are your government doesn’t understand us and we won’t be told what to do.

Annemie McAuliffe says in her experience with Indonesia it has been surprising to her that Brand Australia had not gone from strength-to-strength. “I think Indonesia has become more of a playing field for tourism rather than a serious place to do business,” she said. “In saying that we still have some very strong strength as a country in Indonesia but we just fell off the radar in a peculiar kind of way, I think.” Phil Turtle agrees that Brand Australia was well regarded in Indonesia in some sectors such as agribusiness and mining, however, he believes “we don’t promote ourselves as well as we should.”

Attitudes from respondents on the power of Brand Australia when walking into a room of Indonesian business people were mixed, as like in Australia elite business people in Indonesia often held a different view than that found generally in the media. Greg Gaunt has found in his personal business dealings Indonesian counterparts have been quite open to doing business with Australians. “Australians as people they have a lot of time for,” he said. Similarly, Dean Horton, who represented National Australia Bank in
their push into Indonesia, found that amongst senior bureaucrats “there was great understanding and a strong relationship.” Yet, Horton believed there was a certain immaturity by Australian business people in their approach to an emerging market like Indonesia.

Countries like the UK and France, they have had hundreds of years of operating in foreign markets with cultures that are significantly different from their own. They had colonies for hundreds of years, so they are accustomed to working with people that are different and they have worked out over those hundreds of years how to be successful in places that are significantly culturally different with significantly different practises to their own and been successful in those markets. Like the French, France and I’d put the Japanese in that basket and the Brits are much better and working in Indonesia than Australians despite the fact we’re next door. I think Australians still haven’t worked out that balance, perhaps Australians still go in there quite loudly and it’s this is our way, so it’s the right way as oppose to respecting their war which is thousands of years old and trying to do it together. Australia doesn’t have that legacy of operating in emerging markets with different cultures. We’re great at mining, but I don’t think it cuts across all the other industries.

Stuart Crockett said he thinks Australia needs to shift step and realise where it sits as a middle economy in Southeast Asia. “We can’t go in thinking, we are smarter, bigger and better than anyone else, because the reality is we are not,” he said. Crockett said the health of the Indonesia/Australian relationship currently followed the news cycle.

If you’d asked me six months ago or nine months ago I would’ve said not travelling so well. I think it is getting a hell of a lot better to be honest. There’s been lots of efforts made by the federal government and the state government to try and smooth that stuff out. There is always going to be issues. The first thing I always start off when I’m talking to people there is an under lying desire to like each other between Australia and Indonesia. We get it wrong, we mess it up, we say the wrong things sometimes and things are not taken the right
way they are intended because there are significant cultural differences but I actually think in the root of everything we like Indonesians and Indonesian like us. We want to do business we just get lost in the quagmire. Fundamentally the relationship has a great platform to work from but this up and down, this ebb and flow, has to be eliminated.

Like Anholt, Crockett believes part of the solution is to improve marketing of Australia as a place to do business into Indonesia. In 2009, the Australian Government created Australia Unlimited as the brand identity to market Australia overseas. In Australia Unlimited marketing material, the government refers to building “Brand Australia”, a term many interviewees made reference to. Currently, Crockett explains West Australian businesses fall under the Australian Unlimited, but he said there is some discussion about moving to develop a West Australian brand of its own.

One thing that has been discussed and is still to be explored is can WA develop a brand of its own and start articulating those good news stories, so it’s not just a logo it’s a brand. Can we build out a brand, start showcasing it, putting that into the Indonesian spaces, so they want to do business with us, but also to encourage more West Australians to do more business. Good news is your best marketing.

Although interviewees for this paper rated nation branding as a tool for doing business, the success (or otherwise) of Australia’s Brand Australia exercise is still debated amongst academics and marketing experts and funding has largely dried-up (Ang et al, 2015). It is interesting to note, for the purpose of this paper, the conflicting agendas Austrade and Tourism Australia had for the branding exercise. As Khamis argues in her research ‘Brand Australia: half truths for a hard sell’ that there is “a discernible difference between the Australia that Austrade believes will inspire investment, business and higher education, and the Australia that Tourism Australia believes will attract travellers (Khamis, 2012). This was evident in both of their video campaigns. The Australia Unlimited campaign was strategically launched at the Shanghai World Expo and depicted an Australia represented by internationally


56
recognisable faces, including Eric Bana, Maggie Beer and Cate Blanchett, interspersed with images of industries and professionals that signaled Australia’s engagement with high-level research. Tourism Australia’s advertisement ‘There’s nothing like Australia,’ depicted an abridged representation of Australia’s cultural make-up that involved crowd shots of few non-Anglo Australian faces. The tourism commercial drew intense criticism from the business world, with executives surveyed by Lycos expressing “intense frustration with what most believed was an unfair representation perpetuated in Australian tourism advertising” (Lycos, 2010).

Business people interviewed for this dissertation also expressed some frustrations about the nation branding of Australia. Ross Taylor found Indonesian business people were often unaware of the skills of Australian businesses, largely focusing on Australia’s natural landscape, rather than its capabilities as a nation. “Essentially Indonesian business people, if you have to generalise, look north. As someone cruelly said Pak Ross if you look south you only see penguins,” he said. Similarly, Greg Gaunt, chair of the WA branch of the Australian Indonesian Business Council, said he finds when speaking to the upper echelons of Indonesian business people that most of their knowledge of Australia centres around notions of beaches and a clean environment. He said often the economies of scale of business in Australia were not attractive to Indonesian business people, but Australia was considered a great place to go on holidays. As Gaunt puts it,

What they say you is what you’ve got in Australia is the sky and the stars. They really look at our lifestyle and find it very attractive from where they are at. The idea of Australia is appealing to them but we probably go out of our way to annoy them.

This annoyance Gaunt speaks of relates to what Anholt describes as “the interesting circular relationship between the media and the brand images of place,” (Anholt, 2009, p140). Anholt argues that the media amplifies and perpetuates certain images of nations:
Take a look at how almost any story featuring more than one place is treated in the media, and it becomes clear that the main elements in the story are the ideas recues or stereotypes about those places: much international journalism is simply a process of rehearsing, playing with, sometimes examining and very occasionally challenging those brand images. A lot of journalism is basically a matter of endlessly deploying such clichés. (Anholt, 2009, p141)

Anholt argues that when a country has a clear, well defined national stereotype the media will be more comfortable covering that country. He cites the example of Mexico and Chile stating that because Mexico has a clearly defined brand image it makes an easy story for a journalist to play with, unlike Chile. Indonesia too has a clearly defined brand image in Australian press, however, it is largely unfavourable. Greg Gaunt experiences reflects this idea when he cites the media coverage of the Sukumaran/Chan execution in Indonesia in the Australian press. He laments that

They sensationalise things that don’t necessarily worry the Indonesians. They had those pictures of the coffins being built in the streets as if that was to stick it up the nose of the Australians. To me that is just the way they do things in Indonesia.

Taylor also felt the reporting of the Sukumaran/Chan executions fell back on old stereotyping of a threatening, brutal, inhumane Asia (Broinowski, 1996, p7).

I think as a classic example we saw that with the very tragic story of Sukumaran and Chan. There was absolutely no balance to that story what so ever. Not one person wanted to acknowledge that Indonesia is 17 years in to a democracy whereby people can even have an opinion, it took us 85 years to get rid of the death penalty. It was about this appalling act, which it was. It was reported purely from an Australian perspective. Rather than saying let’s look at this in the context of this young nation’s development. You get this polarization from both media groups really going at it to get their domestic audience to buy more papers because it’s sensationalised.
Similarly, Dean Horton believes the coverage of Indonesian abattoirs in the ABC’s Four Corner program in 2011 reflected clear bias in the Australian media. “Slaughtering a cow, they’ve been doing that forever,” he said. “That’s when the cultures of organisations need to be checked and has the culture within the organisation hijacked the organisation.” As discussed previously, the impact of the Four Corners report was brutal on the West Australian and Northern Territory cattle trade with Indonesia.

**Under the radar**

The power of the media to damage a nation’s branding and directly affect business is discussed in Simon Anholt’s 2007 book *The Competitive Identity* with the explosive example of “the Danish Cartoon Crisis,” (Anholt, 2007, p49). An international controversy broke out in 2005 over satirical cartoons depicting the Prophet Mohammed that were originally published in Denmark’s Jyllands-Posten. The issue cropped up when Danish writer Kare Bluitgen complained that he was unable to find an illustrator for his children’s book as no one dared break the Islamic tenet banning the portrayal of his image (Asser, BBC, 2010). What started as an exercise in free speech ended up tragically, leading to rioting and numerous deaths as well as widespread boycotting of Danish and other Scandinavian goods in shops all over the Muslim world. Although the Indonesian Government publicly condemned the cartoons it did not boycott Danish goods. Anholt’s Nation Branding Index (NBI) tested Denmark and Sweden in both the last quarter of 2005 and the first quarter of 2006. Anholt said the NBI’s coverage of Muslim countries in 2007 was not yet extensive, but results found an overall reduction in Denmark’s NBI from one quarter to the next.

The implications of the Danish cartoon episode are profound and leave us with several unanswerable questions. It is a universal human trait, whether we like it or not, to brand other countries, other races, other religions, other cultures. No matter how complex or even contradictory that were, we often resort to treating them as single entities... this case is no different: the actions of one independent newspaper are blamed on the people of the country, the government is expected to explain or resolve the issue, and the country’s
exporters are caught in the crossfire and their products boycotted (Anholt, 2007, p 53).

Similarly, interviewees said often West Australian business people doing business in Indonesia do not want to be caught in the crossfire in the bi-lateral relationship and the corresponding media coverage. On and off the record interviewees said some businesses preferred to keep their involvement in Indonesia quiet to stay under the political and media radar. West Australians have a long history of doing business with Indonesia particularly in the manufacturing trade such as furniture, footwear, agri-business and mining. Dean Horton said often it was good strategy for emerging businesses to stay under the radar. Phil Turtle agreed stating “it’s conventional wisdom, flying under the radar and unnoticed, it’s a wise move, only because it invites unwanted attention.” Philanthropist Trisha Henderson said she observed some businesses in East Java chose a quiet approach to maintain their market. “If you’re up there and you have a competitive advantage, you’re not going to be telling anyone else to come up there,” she said.

Interviewees indicated a solitary approach to doing business with Indonesia with individual companies traversing the difficulties associated with the emerging market alone. Greg Gaunt said the government needs to do more to foster relationships. “If the Premier of Western Australia is saying Indonesia is important then more people will take that seriously. He is saying that now, but he wasn’t saying it in 2015 when DSD (Department of State Development) was considering closing its office.” Keith Dinnie argues in his earlier book Nation Branding: Concepts, Issues, Practice that although nation branding necessitates the involvement of many key stakeholders, it is the role of the government to coordinate the overall nation-brand approach (Dinnie, 2008, p187). “The coordinating body needs to be set up by government, but the coordinating body also needs to possess a degree of political independence so that nation-brand strategy, which is a long term undertaking, does not veer off course every time a new Minister is appointed (Dinnie, 2008; p189). Greg Gaunt believes government has a key role to play in building the nation-brand, no more so than when they take a delegation overseas.
Government will say we can do the foreign affair thing but we can’t help that much in business. It all goes together. Our Premier has been to Indonesia once and he did that in October last year. I think he is the only Premier that has ever been. We have a twenty-five-year Sister State agreement with East Java. He did not go to Surabaya, a deputy Premier went in 2005. So that’s at top government state level that is the extent of our interaction with which could be the fourth biggest economy in the world. Since Colin has been it did open his eyes to the scale, the magnitude and the importance of Indonesia. He saw China as all important but it is not enough, we saw Japan as all important, then South Korea, China, but not to exclusion of everything else.

Stuart Crockett said the WA government was looking to improve engagement with established and merging businesses, to improve collegiality and branding. As he adds,

Indonesia to me, feels like everyone has been doing it on their own and there has been no collective voice and there has been no collective message... It goes back to that is how has been in the past but it doesn’t have to mean once we get our own sense of self awareness in place it can’t quite rapidly change. Because as I said there is an underlying desire for Indonesians to do business with us and us to do business with them. Everyone sees this opportunity but we have never been able to grab it and harness it. There is no question it has been tough and there is no question that it is something we can avoid. I would suggest if we choose to we could avoid other markets than Indonesia, because I think in ten years’ time it would be remiss of us and definitely remiss of me as a government guy to not try and pursue this relationship and develop it because the opportunity exists but how do you harness it.

Crockett’s thoughts were echoed by everyone interviewed. Kirstin Butcher says she finds it frustrating that the discussion about the potential market of Indonesia is only beginning now. “We should have been there ten years ago, she said. “There should have been some foresight that this huge country could really use Australian resources whether its cattle or wheat or whatever and it’s worth working on that relationship.”
Greg Gaunt is optimistic about West Australia’s future with Indonesia. “I say our future lies in looking north,” he said. “We have to raise the standard of living in Indonesia to sell them the things we want to sell. They are not just going to be recipients to iron ore or prime beef. We have to assist to bring them out of poverty.” Gaunt’s comments are echoed by Butcher. She said WA has a once in a generation opportunity to grow with Indonesia as it emerged from a third world country to become one of the world’s powerhouses. Butcher elaborates:

You can make real dents in people’s lives. You can solve real problems, here people are making another coffee App, or whatever but over there you are talking about getting people banking and fed and educated. That opportunity to help the country on some level, help all my staff. Working on tech you are working with 25 year olds to 30 year olds and these are the people who are going to completely change their country... We’ve done so much learning from China, where their infrastructure improved really quickly. These are all opportunities in Indonesia. They need roads, they need trains, they need buses... Australian engineering could do well there, instead its Koreans and Japanese going in in to Indonesia. Australia is right there I think it is literally missing the biggest opportunity of our generation.

Whereas politicians are often quick to point the finger at the media for adding to tensions in bilateral relations between Indonesia and Australia, interviewees cited numerous reasons for the lacklustre business relationship between Australia and Indonesia. As discussed in this chapter all interviewees felt because the two nations shared neither history nor cultural values it often led them to misunderstand each other, causing flare-ups in the relationship. Many chose to operate their businesses under the radar to stay clear of the crossfire of negative press. It was felt a Eurocentric past had limited and distorted Australians’ world view and as result restricted business engagement with Asia, particularly with its nearest neighbour. All interviewees felt Brand Australia was an important tool for Australia businesses something which many felt politicians didn’t fully appreciate. All interviewees expressed dismay that Western Australian businesses had not been more successful getting a foothold in Indonesia.
Many felt that as the Indonesian economy grew and more Australians pursued successful commercial relationship in Indonesia, bilateral relations between the two countries would improve, similar to the change in the Japanese/Australian relationship in the 80s.
Conclusion

This dissertation has found that reporting in the Australian media about Indonesia has had an impact on Western Australian business people pursuing commercial interests in Indonesia. Most of the business executives interviewed had decades of experience in Indonesia, were all well connected in-country, some spoke Bahasa Indonesia, they were all well versed in Indonesian culture and politics and were consumers of the media both in Indonesia and Australia. Their day-to-day professional experience with Indonesia allowed them to provide an insight beyond the usual popular and mediated public frames through which ordinary audiences would understand Indonesia. However, each said the Australian media created an adverse view of Indonesia which had an impact on the decision making of those wanting to pursue business opportunities in Indonesia. They all felt that media coverage of events amplified the prevailing sentiment between the two countries, which did impact upon them in their business dealings. Although interviewees clearly had a vested interest in the relationship, the impact of the media’s influence was felt acutely by the business world so much so that interviewees said some Australian businesses chose to stay “under the radar” in a bid to stay out of the crossfire of the media when bilateral relations went sour.

This research found Brand Australia was an important, and often under-recognised, tool in promoting business in Indonesia. It was felt that Indonesian people related to two distinct impressions of Australia, that of an innovative country of vast, open lands on the one hand, and the polar opposite image of the tattooed, drunken, culturally-insensitive Bali holidaymaker on the other hand. The study found Australian perceptions of Indonesia were marred by old stereotypes that were constantly reiterated in the media, particularly in times of bilateral flare-ups. “They just don’t play cricket,” was Ross Taylor’s way of summarizing the large void between the two neighbours. The study found that both nations did not share a common history or have similar cultural values, which often led them to misunderstand each other.
The study concluded that Australian news organisations focused on negative stories creating a jaundiced point-of-view of Indonesia which was pervasive in popular thinking. This was in contrast to the Wanta study (p40), which found that although stories reported in the United States about neighbouring Mexico were often negative, sentiment by the public remained largely favourable. The study noted the relatively high number of Mexican immigrants in the United States. In contrast interviewees in this study said Indonesia and Australia made uncomfortable neighbours, and Immigration statistics show Indonesians make up a very small percentage of our migrant population. Interviewees said the negative public opinion derived from the media had influenced Australia’s lack of appetite to pursue business relationships in Indonesia, often skipping over its nearest neighbour to pursue opportunities in other southeast Asian countries. It was believed as Indonesian markets opened up to foreign investment, improved commercial relationships would change the perceived health of bilateral relations between Australia and Indonesia, drawing parallels between Australia’s history with China and Japan. The study found that the Indonesian market was a “once in a generation” opportunity for Western Australian businesses.

This study was largely limited to examining the effect of traditional media on Western Australian business people’s perceptions of doing business in Indonesia. Indonesia is one of the world’s most pervasive users of social media, with the capital Jakarta continually polling as the world’s largest user of Twitter. The power of the Australian media to influence nation branding may change as the general public and businesses embrace technology and social media with the fervor of their nearest neighbour. Then cultural and business engagement between the two countries could more easily bypass the traditional media gatekeepers. In the meantime, popular wariness of Indonesia will continue to place limitations on developing business relationships in Australia. Australians operating in Indonesia will continue to pursue business relationships, largely alone, without any cohesive roadmap. However, in time, as people-to-people contact increases; through exposure to Indonesia beyond Bali through education, cultural exchange, business ties, and travel, negative stereotypes could start to break down. Australians may then consider their nearest neighbour as a
logical place to pursue business in southeast Asia with the same confidence as they have for other countries in the region.
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