



## **Submission No 3**

### **Inquiry into Australia's Relationship with Malaysia**

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**Submission to**  
**Joint Standing Committee on Foreign Affairs, Defence and Trade**  
**Inquiry into Australia's relationship with Malaysia**

**Introduction**

This submission addresses the terms of reference generally.

**The Australia Malaysia relationship**

In his speech at the launch of the Australia Malaysia Institute (28 March 2006), the Minister for Foreign Affairs, the Hon Alexander Downer MP, said about the Australia Malaysia relationship:

It's an old relationship, it's a strong relationship, and long may that remain the case . . .

I concur with, and strongly support, this view.

At its core, Australia's strong and resilient relationship with Malaysia, has been built on a long history of strong educational links which has resulted in many Australian educated Malaysians, somewhere in the vicinity of 1% of the Malaysian population, occupying prominent positions in every aspect of Malaysian life.

At the recent Annual Flinders Asia Centre Lecture, Professor Tim Lindsey (The University of Melbourne) made the point that the (Australian) private sector views Asia as a market, not as investment. The business relationship between the two countries should not just be market driven, but seen as an investment in the overall bilateral relationship for mutual benefit, and I would encourage the Federal Government to provide leadership in changing the attitude of the private sector to consider the longer, rather than the short term.

There are some obvious commonalities between the two countries:

- The two countries have a shared sense of history with the British connection, but have beyond colonialism, developed institutions and policies appropriate to the functioning of each country. Malaysia is one year short of the 50<sup>th</sup> anniversary of Merdeka (independence), Australia is 105 years beyond Federation, but the British monarch is still Queen of Australia, whereas Malaysia has a federal constitutional monarch!
- Malaysia and Australia have different cultures, but many factors in common such as the embracing of liberal democracy, the notion of civil society, and the importance of education as drivers of stability, understanding, tolerance and economic growth;
- Australia and Malaysia have federal systems of government with governments based in Canberra and Putra Jaya, and state governments in each of the states.

### **There are some obvious “givens” in the relationship**

- Bilateral government to government relations continue to be strong, irrespective of politics;
- Bilateral defence ties - long and strong;
- The relationship is highly valued at the people to people level;
- The Malaysia Australia Business Council and the Australia Malaysia Business Council – strong councils with each having members from both countries.

### **Taking the relationship forward**

- We should encourage mutual understanding for mutual benefit – mutual prosperity;
- Australia is a part of, but apart from Asia – Malaysia can assist us to set out what our place is in Asia;
- We need to consider the end of the 21<sup>st</sup> Century – where will the relationship be?
- Australia and Malaysia can be sounding boards for each other – what can we learn from each other?
- There should be more joint ventures;
- Opportunities exist in the following sectors: water management, health, tropical agriculture, engineering, IT, education, defence technology, tourism, bringing Malaysian athletes to AIS;
- Innovation and creativity are the are key issues for success in the future;
- Soccer – we are now in the Asian Federation – opportunities for Australia to assist Malaysia to become stronger;
- Investment flows – these are one sided and need correcting, so that there is more Australian investment in Malaysia: FTA may help remedy this

To underpin the continuance of a relationship which began when the first Malayan students came to Australia under the Colombo Plan, and as private students, in the early 1950s, I would encourage the Australian Government, especially through the Australia Malaysia Institute, to support activities such as young leaders’ programs, academic exchanges, study-abroad programs. It needs to be kept in mind that over time, the number of Malaysians with an Australian education will decline, and for the relationship to be nurtured and sustained, a strategic program to bring together people from the two countries is be required.

I am of the view that the decline in resources available to support teaching and research in Asian Studies in Australia's universities will, in the next quarter century, impact on Australia's continuing ability to engage with Asia. That includes engagement at all levels including government, business, cultural, educational, and, as identified by the Asian Studies Association of Australia, Asian Studies and Asia expertise should be an integral part of the Government's strategy for dealing with terrorism.

An important issue to keep in mind is onward movement of globalisation and the effects that may have on the relationship, because globalisation has other outcomes besides economic ones. Globalisation reduces the power of the state to regulate and organise the population, it undercuts state control over information, and it brings constant change through new technologies, with possibly unpredictable consequences. The broader impact of globalisation on the bilateral relationship is an issue which I would encourage the Government to facilitate discussion on.

Respectfully submitted.

Geoffrey Sauer

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NOTE: Geoffrey Sauer has a longstanding interest in Malaysia through his work over the last 21 years as an alumni relations practitioner for two Australian universities. He was the editor/author of *The Colombo Plan for cooperative economic development in South and South East Asia 1951–2001*, *The Malaysian - Australian Perspective* (Australia Malaysia Cultural Foundation, 2001), is Vice-President of the Australia Malaysia Business Council SA Inc, a member of the AMBC National Executive, and is undertaking postgraduate study in Asian Studies at Murdoch University.