

## Country-to-country links

### Introduction

- 2.1 The links between Australia and Malaysia are multifaceted and occur at many levels – from formal government and Parliamentary relations, through the interactions between organisations, to the informal interactions between individuals. This chapter discusses examples of those interactions which were presented to the Committee. While these examples are not definitive, they do provide a snapshot of the Australia–Malaysia relationship and some of the indicative trends in that relationship.

### Government-to-government interactions

#### Ministerial visits

- 2.2 Australia–Malaysia relations received a significant boost when in April 2005 the Malaysian Prime Minister, Dato' Seri Abdullah Badawi, accompanied by a large ministerial delegation, visited Australia. It was the first time in 21 years that a Malaysian Prime Minister had visited Australia and it led to a decision to proceed with negotiations to develop a free trade agreement (FTA).<sup>1</sup>

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<sup>1</sup> DFAT, *Submission No. 11*, p. 76.

- 2.3 Other Malaysian ministers who undertook formal visits to Australia during 2005 and 2006 were:
- Minister of Human Resources, Datuk Dr Fong Chan Onn;
  - Minister of Higher Education, Datuk Dr Shafie Salleh;
  - Minister of Environment and Natural Resources, Dato' Adenan Satem;
  - Minister of Transport, Dato' Seri Chan Kong Choy;
  - Minister of Foreign Affairs, Datuk Seri Syed Hamid Albar; and
  - Minister of Agriculture and Agro-based Industries, Tan Sri Muhyiddin Yassin.
- 2.4 In addition, the Minister of International Trade and Industry, Dato' Seri Rafidah Aziz visited in August 2006 to attend the Australia-Malaysia Joint Trade Committee and to conduct a series of Malaysia trade promotion seminars.
- 2.5 Australian ministers who visited Malaysia in 2005 included:
- Attorney-General, Hon. Philip Ruddock MP;
  - Minister for Veterans' Affairs, Hon. De-Anne Kelly MP;
  - Minister for Education, Science and Training, Hon. Dr Brendan Nelson MP; and
  - Minister for Agriculture, Fisheries and Forestry, Hon. Warren Truss MP.<sup>2</sup>
- 2.6 An outcome of the bilateral visits of agriculture ministers during 2005 was the signing in March 2006 in Canberra of a Memorandum of Understanding (MoU) for the Enhancement of Agricultural Cooperation. This was followed by a further visit to Malaysia in August 2006 by the Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran MP.<sup>3</sup>
- 2.7 As well, the Prime Minister, Hon. John Howard MP and the Foreign Minister, Hon. Alexander Downer MP visited Malaysia in December 2005 to attend the East Asia Summit and East Asia Summit Foreign Ministers' meeting respectively.<sup>4</sup>

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2 DFAT, *Submission No. 11*, p. 76.

3 DAFF, *Submission No. 23*, p. 202.

4 DFAT, *Submission No. 11*, p. 76.

- 2.8 The increased emphasis on trade with Malaysia has been reflected by increasing interactions between Australian State and Territory governments with Malaysian State governments.
- 2.9 The Northern Territory Government advised the Committee that its Chief Minister, Hon. Claire Martin MLA, had led a delegation to the Malaysian State of Sabah. A MoU with Sabah facilitated the placement of Malaysians in Northern Territory training and development programmes. The aim of the MoU was to sustain Northern Territory livestock exports to the region, 'through the provision of expert advice and training in tropical beef production.'<sup>5</sup>
- 2.10 There is also a MoU between the governments of Malaysia and Western Australia on livestock development cooperation which was signed in December 2005. This aimed 'to encourage and promote trade and bilateral cooperation in the field of livestock development on the basis of equality and mutual benefit.'<sup>6</sup>
- 2.11 The South Australian Government too is actively engaging with Malaysia. A submission detailed the visit of a South Australian Trade mission to Malaysia in April 2006, during which the South Australian Minister for Industry and Trade met with his counterpart, Malaysia's Minister for International Trade and Industry. The visit was reciprocated when the Malaysian minister visited South Australia in August 2006.<sup>7</sup>
- 2.12 Advice from the South Australian branch of the Australia-Malaysia Business Council (AMBC) indicated that trade missions to Malaysia were estimated to have brought export sales and inbound investment returns in excess of \$25 million.<sup>8</sup>

## Parliamentary delegations

- 2.13 There have been six Parliamentary exchanges between Australia and Malaysia since 2001:
- July 2002 – visit by the Australian Parliament Speaker to China, Malaysia and Singapore;

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5 Northern Territory Government, *Submission No. 20*, pp. 176–7.

6 DAFF, *Exhibit No. 6, Memorandum of Understanding between the Government of Malaysia and the Government of Western Australia on Livestock Development Co-operation*.

7 South Australian Government, *Submission No. 24*, p. 220.

8 AMBC (SA) Inc, *Submission No. 4*, p. 18.

- September 2002 – visit to Australia by the Public Accounts Committee of the State Parliament of Perak, Malaysia;
- January 2003 – Australian Parliamentary Delegation visit to the 11th Asia Pacific Parliamentary Forum in Malaysia;
- March 2005 – visit to Australia by the Special Select Committee of the Parliament of Malaysia;
- April 2006 – Australian Parliamentary Delegation visit to Malaysia and Japan; and
- June 2006 – Malaysian Parliamentary Delegation visit to Australia.<sup>9</sup>

## Ministerial forums, officials working groups and MoUs

2.14 A key ministerial forum is the Australia–Malaysia Joint Trade Committee. The Department of Foreign Affairs and Trade (DFAT) noted that this committee was the longest running bilateral trade dialogue mechanism which Malaysia had with any country. The committee meets annually, alternately in Malaysia and Australia, and is co-chaired by the Australian Minister for Trade and the Malaysian Minister of International Trade and Industry. The 13th meeting was held in Adelaide in August 2006 during which the Ministers confirmed the commitment to develop a bilateral FTA agreement, and examined potential new areas of cooperation such as groundwater management.<sup>10</sup>

2.15 Reflecting Australia’s strong agricultural trading interest with Malaysia, a working group of agriculture portfolio officials was established in December 2000. The Malaysia–Australia Agricultural Cooperation Working Group (MAACWG):

... oversees and facilitates regular and comprehensive consultation and cooperation of agriculture, fisheries, agri-food, Sanitary and Phytosanitary (SPS) and operational quarantine matters.<sup>11</sup>

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9 House of Representatives Parliamentary Relations Office, *Exhibit No. 5, Table of Outgoing Delegations to Malaysia, and Incoming Delegations from Malaysia*.

10 DFAT, *Submission No. 11*, pp. 79–80.

11 DAFF, *Submission No. 23*, p. 203.

- 2.16 MAACWG meets annually and has created sub-working groups on livestock, crops and fisheries. While forestry issues lay outside the portfolio responsibility of the Malaysian agriculture department, the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF) advised the Committee that Malaysia had agreed in-principle to discuss forestry issues and cooperation at MAACWG meetings.<sup>12</sup>
- 2.17 Australian and Malaysian officials also engage in annual technical discussions concerning plant quarantine and market access issues. Senior officials from Biosecurity Australia and the Crop Protection and Plant Quarantine Division of the Malaysian Department of Agriculture were involved.<sup>13</sup>
- 2.18 Besides the two MoUs noted above – for the Enhancement of Agricultural Cooperation; and between the Northern Territory Government and the Malaysian State of Sabah – the Committee was advised of three other government level MoUs between Australia and Malaysia:
- *MoU on Cooperation in the Field of Education.* This underpins and formalises Australia’s education relationship with Malaysia. While the MoU expired in January 2006, the Department of Education, Science and Training (DEST) advised the Committee that it was negotiating to renew the MoU with the Malaysian Ministries of Education and Higher Education.<sup>14</sup>
  - *MoU on Scientific and Technological Cooperation.* The MoU was signed in 1985 but the last government-to-government meeting was held in 1999. DEST told the Committee that government intervention was considered unnecessary because of ongoing interaction between universities, the CSIRO and through the Australian Centre for International Agricultural Research. Meetings under the MoU were seen as only being valuable ‘in removing an impediment to collaboration or enhancing the collaboration in some way.’<sup>15</sup>
  - A ‘Statement of Intent’ to conclude a MoU on cooperation in information and communications technology (ICT) was signed in April 2005 by the Commonwealth Minister for Communications, Information Technology and the Arts and the Malaysian Minister

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12 DAFF, *Submission No. 23*, p. 203.

13 DAFF, *Submission No. 23*, p. 203.

14 DEST, *Submission No. 14*, p. 107.

15 Ms Sara Cowan, *Transcript 4 December 2006*, p. 23.

of Science, Technology and Innovation. The object of the MoU was to complement FTA negotiations by 'advancing the growth of investment, joint ventures, joint initiatives in research and technology development in the ICT sector.'<sup>16</sup>

## Australia–Malaysia Institute

2.19 The visit of the Malaysian Prime Minister in April 2005 saw the announcement of the establishment of the Australia–Malaysia Institute (AMI). The AMI comprises an Executive Committee of eight prominent Australians plus an ex-officio senior DFAT officer. Its chairman is Mr Michael Abbott QC, and it is supported by a small secretariat within DFAT.<sup>17</sup>

2.20 The key objectives of the AMI are to:

- Increase knowledge and promote understanding between the people and institutions of Australia and Malaysia
- Further enhance people-to-people links
- Support Australia's broader diplomatic objectives in Malaysia.<sup>18</sup>

2.21 The AMI's starting annual budget was \$300 000 in 2005–06 rising to \$400 000 in 2006–07. There are six programmes:

- Young Leaders Exchange Programme;
- Media Programme;
- Muslim Exchange Programme;
- Education and Science Programme;
- Cultural Understanding Programme; and
- Public Relations Programme.<sup>19</sup>

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16 DCITA, *Submission No. 7*, p. 52.

17 DFAT, *Submission No. 11*, p. 81.; Mr Paul Grigson, *Transcript 9 October 2006*, p. 7.

18 DFAT, <[http://www.dfat.gov.au/ami/about\\_ami.html](http://www.dfat.gov.au/ami/about_ami.html)>, accessed January 2007.

19 DFAT, <[http://www.dfat.gov.au/ami/programs\\_ami.html](http://www.dfat.gov.au/ami/programs_ami.html)>, accessed January 2007.

- 2.22 In 2005–06 the AMI:
- organised three visits of members of the Malaysian media to Australia – a tour of the CSIRO laboratories in Sydney and Canberra resulted in positive publicity in Malaysia;<sup>20</sup>
  - co-sponsored, with the Asia-Pacific Journalism Centre, the visit of eight Australian journalists to Malaysia;
  - created a series of scholarships related to bilateral relations;
  - co-sponsored an Australia–Malaysia Forum, organised by Monash University and the Asian Strategy and Leadership Institute (Malaysia); and
  - sponsored Malaysia-related aspects of the *Crescent Moon Exhibition of Islamic Art and Civilisation of South-East Asia*, held in Adelaide and Canberra from November 2005 to May 2006.<sup>21</sup>

## Private sector interactions

- 2.23 As with many international trading markets, private-sector businesses with an interest in exporting have established business councils to facilitate international trade and assist their members. The Malaysian market is no exception.

## Australia–Malaysia Business Council

- 2.24 The AMBC was established in 1988 and in 2006 comprises 136 organisations. Of these, 15 are large enterprises with more than 200 employees and/or an annual turnover in excess of \$10 million. The Malaysian counterpart, the Malaysia–Australia Business Council (MABC), was also established in the late 1980s.
- 2.25 AMBC has chapters in New South Wales, South Australia, Victoria, and Western Australia with each nominating a representative to a national executive. A National President and Deputy National President are elected annually.

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20 CSIRO, *Submission No. 2*, p. 11.

21 DFAT, *Submission No. 11*, p. 81.

- 2.26 The objectives of the AMBC are to:
- represent the interests of members in commercial trade matters between Malaysia and Australia;
  - provide services for members in relation to Malaysia;
  - foster friendship and cultural understanding between the business communities especially and the peoples of Australia and Malaysia;
  - promote trade, investment, technical co-operation, economic co-operation and tourism between Australia and Malaysia;
  - assist Malaysian trade or commercial activities in Australia;
  - establish and foster links with the counterpart MABC in Malaysia.<sup>22</sup>
- 2.27 Trade aspects of the Australia–Malaysia relationship are discussed further in Chapter 4.

## Organisations and individual interactions

### Research and education links

- 2.28 The Australian Research Council (ARC) has a mission to advance Australia’s research excellence and does this by supporting research which is likely to contribute innovation; brokering partnerships among researchers; and providing policy advice to government on investment in the national research effort.<sup>23</sup>
- 2.29 The ARC advised the Committee that while it had no formal research cooperation agreement with any Malaysian research agency, its members had attended the following meetings in Malaysia:
- June 1999, a meeting in Kuala Lumpur of senior Australian and Malaysian officials concerning science and technology cooperation; and
  - October 2001, a delegation attended the Science and Technology Policy Forum in Penang.<sup>24</sup>

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22 AMBC, *Submission No. 1*, p. 2.

23 ARC, *Submission No. 5*, p. 23.

24 ARC, *Submission No. 5*, pp. 24–5.



- 2.30 The ARC had also met with delegations from Malaysia:
- April 2005, a meeting arranged by DEST with a Malaysian delegation studying benchmarking and best practice with an emphasis on higher education research; and
  - August 2005, a meeting with a delegation from the Universiti Putra Malaysia to discuss the evaluation of research funding and industry links.
- 2.31 Other institutional links and interactions were noted in DEST's submission:
- a joint MoU between the Australian Academy of Science and the Australian Academy of Technological Sciences and Engineering with the Academy of Sciences Malaysia; and
  - discussions initiated by the Malaysian Institute for Nuclear Technology Research with the Australian Nuclear Science and Technology Organisation.<sup>25</sup>
- 2.32 DEST also advised the Committee that in May 2003 there were some 127 formal linkages between Australian universities and Malaysian institutes of higher learning.<sup>26</sup>
- 2.33 Interactions at the university level appear to be gaining momentum. Under DEST's Regional Links Programme, the Australian Vice-Chancellors Committee (AVCC) coordinated the Malaysia Australia Vice-Chancellors Meeting 2006. The meeting involved 14 Malaysian university delegates and 13 Australian Vice-Chancellors or their representatives. Issues discussed were future collaboration and cooperation including 'staff and student mobility, credit transfer and the recognition of qualifications.' A further meeting was scheduled for Kuala Lumpur in 2007 to sign a MoU.<sup>27</sup>
- 2.34 The States too are engaged with Malaysia in the education area. For example, in April 2005 the South Australian Children, Youth and Women's Health Services signed a letter of intent with the Malaysian Government to facilitate the further training and collaboration of health and medical specialists in both countries.<sup>28</sup>

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25 DEST, *Submission No. 14*, pp. 116–17.

26 DEST, *Submission No. 14*, p. 107.

27 AVCC, *Submission No. 12*, p. 86.

28 Government of South Australia, *Submission No. 24*, p. 220.

- 2.35 Education linkages are discussed in greater detail in Chapter 6 and specific examples of science and research collaboration with Malaysia are provided in Chapter 7.

## Cultural and personal links

- 2.36 Cultural understanding can be enhanced through a variety of means. There follows some of the examples provided to the Committee.
- 2.37 At the Commonwealth level, the Department of Communications, IT and the Arts (DCITA) told the Committee about the following recent cultural activities:
- the *Crescent Moon* exhibition, subtitled *Islamic Art and Civilisation in South East Asia* involved borrowing works from five Malaysian institutions and the attendance of National Gallery of Australia curatorial staff at development courses in Malaysia;
  - the Asialink programme funded two artists in 2005–06 to work in residencies with Malaysian art galleries;
  - a partnership is planned in 2007 between the Canberra Contemporary Art Space and the Valentine Willie Gallery in Kuala Lumpur;
  - a joint performance of the Australian Chamber Orchestra and the Malaysian Philharmonic in March and April 2006;
  - a Musica Viva contract with DFAT for cultural activity in Malaysia; and
  - ongoing annual visits to Malaysia by a group called, *The Song Company*.<sup>29</sup>
- 2.38 Some state-based institutions have long-standing cultural links with Malaysia. For example, the Western Australian Museum has cultural relations with counterparts in Malaysia in the field of maritime archaeology. Activities have included:
- assistance in surveying the wreck of the VOC ship *Risdam*;
  - hosting a number of South-East Asian maritime archaeological seminars; and
  - working with Malaysia to establish training programmes and providing internships for Malaysian maritime archaeologists.<sup>30</sup>
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<sup>29</sup> Mr Mark Taylor, *Transcript 16 October 2006*, pp. 5, 7.

- 2.39 Malaysia has had a major impact on the sporting life of the Northern Territory. The Northern Territory Government advised the Committee that the National Sports Council of Malaysia was instrumental in establishing the Arafura Games. Malaysian teams had regularly participated in the games and were often the biggest participating delegation. The Northern Territory also participated in the Sukan Malaysia Games in 2002, with likely subsequent participation in 2008.<sup>31</sup>
- 2.40 At the local government level, since February 1973 the Adelaide City Council has had a sister city relationship with the city of Georgetown, Penang. Achievements identified on the Adelaide City web site include:
- the establishment and increase of direct Malaysian Airlines flights between Malaysia and Adelaide – this has generated increased people movement and trade;
  - participation of Penang Dragon boat crews in the 1996 Dragon Boat Championships; and
  - the running of an annual Penang Cup by the South Australian Jockey Club.<sup>32</sup>
- 2.41 At the personal level, Australians visiting Malaysia and Malaysians visiting Australia may through their experiences gain an understanding of the culture of the host country. Many Malaysians visiting Australia do so for educational purposes or as tourists. While education and tourism are the subject of later chapters, the Committee received comments on cultural interaction from Malaysian students studying in Sydney.
- 2.42 A representative from the Malaysian Students Organisation of the University of New South Wales commented that he appreciated the multicultural base within the university and the activities which provided opportunities for interaction with other international students.<sup>33</sup> The Vice Chairperson, Malaysian Students Council of Australia, reported that some international students were not as open-minded as Australian students because they tended to stick together

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30 Western Australian Minister for Indigenous Affairs; Tourism; Culture and the Arts, *Submission No. 19*, p. 174.

31 Northern Territory Government, *Submission No. 20*, p. 176.

32 <[http://www.adelaidecitycouncil.com/scripts/nc.dll?ADCC:STANDARD::pc=PC\\_12,svTextVers=N](http://www.adelaidecitycouncil.com/scripts/nc.dll?ADCC:STANDARD::pc=PC_12,svTextVers=N)>, accessed January 2007.

33 Mr Danny Tze San Tan, *Transcript 21 November 2006*, p. 2.

more. Australian students, however, were 'pretty open towards international students.'<sup>34</sup>

- 2.43 It was also noted, however, that some Australians were not aware of the diversity of Malaysian society.<sup>35</sup>
- 2.44 The witness commented that the reluctance to interact shown by many Malaysian students was a cultural characteristic which could be countered if the 'Malaysian seniors who are studying here show a good example by mixing with everyone else'.<sup>36</sup>
- 2.45 Interestingly, one of the students commented that he chose Sydney which had far fewer Malaysian students than in Melbourne because of the risk in Melbourne of being 'sucked into a comfort zone and [wasting] your experience here.' He added that, anecdotally, 'many Malaysians in Sydney want to stay on in Sydney, whereas many Malaysians in Melbourne just finish and go back home'.<sup>37</sup>

## **Committee comment**

- 2.46 The Committee considers that the level of interaction between Australia and Malaysia underpins a sound relationship between the two countries. Further links, no doubt, will be generated as the two countries move towards the establishment of an FTA.
- 2.47 The Committee suggests that developing city-to-city links is a valuable way to promote the Australia-Malaysia relationship. Cities establishing a link must, like Adelaide, be prepared to devote the necessary resources to developing the relationship.
- 2.48 The Committee believes the provision of educational services to Malaysian students is an excellent way for the creation of people-to-people links. From the evidence presented to it, the Committee believes Malaysian students studying in Australia are receiving a worthwhile experience. Many are prepared to contribute to the experience through willingness to interact with Australian and other

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34 Mr Mohd Saiful Tan, *Transcript 21 November 2006*, p. 5.

35 Mr Wai King Yong, *Transcript 21 November 2006*, p. 5.

36 Mr Danny Tze San Tan, *Transcript 21 November 2006*, p. 6.

37 Mr Danny Tze San Tan, *Transcript 21 November 2006*, p. 9.

international students. The Committee notes that many of Malaysia's leaders have studied in Australia.<sup>38</sup>

- 2.49 Both Australia and Malaysia are striving to increase tourism links, and this provides an excellent opportunity to further strengthen ties. Tourism is discussed in detail in Chapter 5.

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38 DFAT, *Submission No. 22*, p. 193.

