For almost one decade (1985-1995), the journey of bilateral relations between Malaysia and Australia was rough, interspersed with socio-cultural and political differences. The cause for a sudden diplomatic debit in 1991, for example, was heightened by both the media and the statements made by Australia's government. However, the diplomatic row did not severely damage the bilateral relations despite the several "hiccup". Both countries have been able to recover and normalise relations and in fact succeeded in increasing further cooperation in many fields.

Issues of bilateral concern during 1985-1995 are looked at from Malaysia's perspective in this article, which attempts to assess the issues and events in the fields of political relations, economic and social cooperation, common security concerns and foretells how future patterns of bilateral relations are likely to evolve.

Australia is located far down the southern hemisphere after the Indonesian archipelago. Geographically, it belongs to the South Pacific region. Although several attempts had been made to identify Australia with Asia, it has yet to receive the approval of the ASEAN and the East Asian countries.

As for Malaysia, it believes and appreciates the strong ties it has with Australia in various fields which promote mutual interests. But Canberra's recent indication that it is a part of East Asia at the ASEAN meeting held in Brunei in August, 1995, was rejected by Malaysia. A geographical definition of Asia made by the Commission for a New Asia also clearly indicated that Australia is not a part of Asia. The Commission's definition was "Asia stretches up to 44 million square kilometres - between the Arctic North, and the tropical south, between the eastern Pacific Rim stretching from the Russian Far East to Indonesia, and its

western boundaries stretching from the Ural mountains to the Arabian peninsula". Like Malaysia, Australia is a part of the British Commonwealth community. In the past, it was an extension of the British empire. Today, it is still seen as a country of British colonial descent given its predominantly White European population and culture. More so, when Australia maintains and values its strong linkages with the United States and the Europeans.

Australia continues to promote western interests in its own way. It has on several occasions, ridiculed as well as 'passed judgement' on regional countries' political systems and social set-ups from the perspective of western democracy. Australia has been projecting an image that its political, legal and social systems are superior to those of the Asian countries. This makes Australia, particularly its media, quick and short-sighted in its remarks on the internal affairs of regional countries.

More important, Australia hardly takes into account the historical, social, political and economic realities of the region and its colonial past. It lacks a strong basis, for example, in understanding how historical events have impacted on social, political and economic developments of the region. There is a strong need for Australia, with its predominantly European population to understand the history and cultures of Asian societies, in dealing with its Asian neighbours. Though Australia was founded a couple of centuries ago, it has yet to adapt well to its surroundings including understanding the socio-cultural of the communities surrounding its continent.

As a result, it has failed to understand, for example, that an uncontrolled outburst of words ridiculing one's cultural and religious values through the media can be very offensive. It is also in this sense, and has been rightly pointed out by Malaysian Prime Minister Mahathir, that Australia can only be a part of Asia when it has Asians as 70 percent of its population. While the Australians can speak their mind openly, there is a need for a further enrichment of its under-
standing of Asian sensitivities. In this way, Australia can overcome the occasional tensions that have been impinging upon bilateral relations with Malaysia. A coherent and sound policy is of vital importance to Australia to improve its bilateral relations with Malaysia. And wanting to become a part of Asia because of its growing economic linkages alone will not bring Australia to integrate fully with the region.

Political Relations

For almost one decade, political relations between Australia and Malaysia has been marred by several issues, mainly induced by the Australians’ inability to understand Malaysia’s social, cultural and political sensitivities.

The Labour administration in Australia, led by both Paul Keating and Bob Hawke had, on several occasions, come out strongly with an uncontrollable outburst against both Malaysia’s government and its leader. However, it was only until recently, with Keating’s visit to Kuala Lumpur and Mahathir’s stopover in Canberra, that psychological barriers that persisted between the two nations were removed.

Some of the controversial issues that had impacted upon the bilateral relations include both the remarks made by the Australian media as well as its government’s policies:

Five of the issues were:

- In the early 80s, Hawke’s government condemned Malaysia for mishandling Indochinese refugees. It regarded security measures undertaken by the government as cruel. Australia at that time was unable to understand Malaysia’s vulnerability towards incoming refugees; given the lack of security, as well as Malaysia’s politically fragile and explosive nature of ethnic composition.

- In 1986, Prime Minister Bob Hawke passed an offensive remark on Malaysia’s capital punishment law because two Australians were imposed with death sentences for drug trafficking. Bob Hawke generally condemned our society and law as being "barbaric" without taking into account that drug abuse was the number one threat to Malaysia’s security at that moment. He failed to understand that other countries’ citizens had undergone similar punishments. Most important of all, hundreds of Malaysia’s own citizens were punished under the same law.

- The Australian media had been provocative and had contributed strongly to the already strained political relationship between Australia and Malaysia. The most famous one that led to a diplomatic debate between Kuala Lumpur and Canberra was the ABC TV series entitled “Embassy”. Although the TV series referred to was “Ragaon” a fictitious country, it closely resembled Malaysia. Similarly, the Australian-produced film, “Turtle Beach,” smeared the Malaysian image and its security officials. The movie was a flop and some Australian intellectuals claimed that the film failed to give an accurate picture of Malaysia’s treatment of refugees. Realising the lies made by the Australian media, Prime Minister Hawke adopted a policy of “disassociation,” that is, to dissociate the government’s position from the portrayal made by Australia’s media.

- On the economic front, Australia was not in favour of Malaysia’s proposal of the East Asia Economic Caucus (EAEC) given its undivided support for APEC. In line with its government’s position, the Australian media campaigned against the EAEC. For example, in 1991, its newspaper published a report that the former leader of Singapore, Lee Kuan Yew rejected Mahathir’s EAEC proposal. The report was not true and discredited Malaysia’s initiative. Malaysia’s Deputy Foreign Minister, Ahmad Fadzil, warned that such a false report carried tendencies to hamper Malaysia-Singapore bilateral relations. In 1993, Prime Minister Keating painted Mahathir as being “recalcitrant” for his absence at the APEC Seattle Meeting. His remarks were offensive to the extent that the Malaysian public and businessmen reacted strongly affecting trade ties with Australia. Some official visits were also cancelled.

- Australia had been criticising its Southeast Asian neighbours, including Malaysia, on issues pertaining to environmental degradation and human rights. There often existed a practice of double-standards by the Australian government. Australian politicians were also fond of passing damaging remarks on the political systems of the Southeast countries without taking into account their history.

In response to the above, Malaysia felt Australia had been too judgemental and was in no position to pass damaging remarks. Within Australia there were many incidents pointing out of government’s bad record in practising human rights. Most of them related to the way the Australians had treated its aboriginal communities.

Similarly, the aboriginal community’s political and legal rights had been abused by Australia’s local governments. On matters pertaining to environmental protection, some leaked government documents had indicated that Australia had allowed its forests to be destroyed for logging activities although its Parliament had passed several bills to protect its limited forest reserves.

Paul Keating’s last visit to Malaysia, as Prime Minister and Mahathir’s stopover in Australia, had resulted in both countries agreeing to put aside their existing differences.

They said these differences should not continue to hamper the bilateral relations between the two countries. For the first
time, there was a wind of change in the Canberra-Kuala Lumpur diplomatic ties thus making it a clear sign for definite improvement of bilateral relations in the future. Economic cooperation was also likely to increase.

The newly elected government in Australia led by Prime Minister John Howard has indicated a significant change in attitude and style of leadership. Australia under John Howard is showing a positive attitude towards the EAEC and likely to soften its stand against the Malaysian initiative.

Similarly, Howard’s government has also abandoned Australia’s aggressive approach to become a part of Asia. Australia under the Liberal leadership will be “working” with Asia more closely without claiming to become a part of Asia. Future patterns of bilateral relations are likely to be conducted in a more mutually beneficial manner.

John Howard is also very careful in selecting his words when dealing with Malaysia and Asia as a whole. Indonesia is scheduled to be Howard’s first ASEAN stopover which is an indication of the importance that his government has placed upon its immediate neighbour.

**Economic Relations**

Australia enjoys profitable economic relations with Malaysia. Over the past decade, trade between the two nations had doubled. Besides, there was a significant shift in the type of goods and services which comprise trade between them. However, the balance of trade between both has been more in Australia’s favour so far. Keating’s visit to Kuala Lumpur in January, 1996 had revitalised the interests of both nations to further enhance cooperation in the economic field. In taking a fresh look at bilateral relations, Malaysia’s Prime Minister announced that Australia has a vital role in the economic field more than in any other sector.

The doubling of trade between Malaysia and Australia in half a decade is an important factor to note. For example, trade with Australia in 1991 was only RM3 billion but in 1995 the figure doubled to RM6.65 billion, marking the intensity and volume of trade. This trend demands serious attention from both nations. It is also surprising that the increased trade occurred within the period of occasional diplomatic instability.

However, the balance of trade has been in Australia’s favour. In 1995 alone, about RM1.18 billion worth of trade was in favour of Australia. Efforts are being made by Malaysia to close this gap. More joint ventures have been initiated to enhance both countries’ trade and investment in a balanced manner.

The Australiamalaysian Joint Trade Commission has now been upgraded to ministerial status whereby ministers can be directly engaged with the private sector in both nations in enhancing economic activities. More Malaysian companies are likely to invest in Australia in the years ahead. Malaysia is currently ranked as the 11th largest investor in Australia with its investment worth over RM1.7 billion.

In addition, many Australian companies that have invested in Malaysia are now being bought over by Malaysians. The process of Malaysianisation of Australian companies is faster and rapidly increasing. In fact, Australian companies established locally ranked the fastest to “Malaysianise”. Similarly, the process of skills and technological transfers are better. Australian companies are also establishing their regional offices in Kuala Lumpur. Economic growth in Australia, which marked above 6 per cent last year compared with 3.4 per cent in the late 80s and early 90s, is one promising sign of improved prospects for better trade in the years to come.

While Malaysia’s unfavourable trade balance is a major concern, Malaysia also faces challenges posed by Australians in terms of its unfair labelling policy pertaining to Malaysia’s palm oil, and its high tariffs on textiles (up to 43 per cent) and footwear (10-33 per cent). However, where trade is concerned, the future of Australia-Malaysia relations is very much a bright one, and likely to see more future collaboration.

**Security Cooperation**

Defence cooperation between Australia and Malaysia is one of the best among the bilateral defence arrangements that exist in Southeast Asia today. Sound defence cooperation between the two countries is not only based on the common quest for security but backed by a long tradition planted during the modern colonial era. The Commonwealth defence umbrella during the “emergency” and “confrontation” in the 1960s and its extension through the Five Power Defence Arrangements (FPDA) in 1971, have both carved and created a sense of solidarity between the defence forces of Malaysia and Australia. Both nations value the defence cooperation precisely such that vital link robustly withstands even diplomatic debates.

Over the last decade, the FPDA had provided valuable contributions to Malaysia through joint air exercises under the Integrated Air Defence System based in Butterworth, Penang. In recent years, maritime cooperation through naval exercises have also taken place. Training and information sharing under this arrangement is of vital importance to the Malaysian armed forces. Similarly, the Australians also gained from the access and flexibility that had been granted by Malaysia, thus far for operating Australia’s combat aircraft and ships in the Southeast Asian theatre. Malaysia-Australia Joint Defence Programme (MAJDP) is another significant plan which contributes to training.

In the field of intelligence and information sharing, military cooperation has been meaningful to Malaysia where Australia’s JINDALEE over-the-horizon ra
The largest installation of its kind in Australia and possesses the capacity for a full radar coverage of movement of forces up to Northeast Asia. In the real sense, joint-military exercises under the FPDA and MAJDP are extremely valuable to Australia’s strategic interest.

It is in support of the 1986 Dibb Report’s forward defence strategy, in which, Australia based its strategic planning covering the countries in the north. Therefore, defence cooperation with Malaysia is undeniably vital in defending Australia.

Information gathered through Australia’s reconnaissance aircraft, PC3 - Orion, operating in the South China Sea region is also being made available to Malaysia. Intelligence and information sharing with Australia is useful to Malaysia given its regional waters are vulnerable to piracy, smuggling, drug trafficking, illegal migration, poaching, illegal dumping of environmental hazards. Overlapping Exclusive Economic Zone and territorial disputes in the South China Sea are also a serious concern to Malaysia’s security.

Given the need for enhancing Malaysia’s maritime security, Australia is becoming another major beneficiary, particularly in winning some of the largest defence contracts offered by Malaysia. To name one such is Transfield’s recent bid for RM3.8 billion Royal Malaysian Navy’s tender to build 27 offshore patrol boats.

The tender if secured by Australia will be extremely attractive while it denotes for the first time the diversion of Malaysia’s big scale defence contracts from the superpowers as in the past. Malaysia also has joint-ventures with Australia in manufacturing light aircraft, opening avenues for the nation into the aircraft and aerospace industry.

Prospects for defence cooperation is likely to increase in the near future. Common equipment such as naval vessels and combat aircraft like the F/A 18s could be used together in joint-exercises under FPDA framework. Policy challenges that must be addressed in future are in critical fields such as accommodating military operational doctrine, enhancing further technical assistance and cooperating in field of equipment maintenance and services.

Another field of serious policy concern in defence is networking for regional security. In this area, three recent establishments are of vital importance and need policy coordination. First the establishment of the Nuclear Weapons Free Zone in Southeast Asia could be in future well linked with the South Pacific region where supervision is concerned. Second, the recently concluded Australia-Indonesia defence treaty can be of value in breaking the so called psychological barriers inherited from the past among the Southeast Asia countries.

It is also likely to enhance further defence ties among the ASEAN countries as well. Last but not least will be the role in which Australia, Malaysia and other ASEAN countries could team to speak in one voice on matters of regional security interest for both Southeast Asia and South Pacific at the ASEAN Regional Forum.

Social Cooperation

Education, however has been the main aspect of social cooperation between Australia and Malaysia. It will continue to be so in the years ahead. Some 120,000 Malaysians have received tertiary education from Australia. In 1991, there was a concern over the increase in the visa fee which nevertheless, did not hamper the number of students going to Australia each year. Australia continues to be the cheapest destination for Malaysian students. Also, being able to secure part time work easily helps support their studies there. In 1995, Australia closed its AIDAB (Australia Industrial Assistance Bureau) section of the High Commission in Kuala Lumpur which was also known for sponsoring Malaysian students. Malaysia is now being seen as a developed nation that no longer needs financial assistance for education.

Malaysia continues to be the second largest to contribute foreign students to Australia with an average of 10,000 students undertaking various courses each year. To boost further development in this field, the office of Education Australia was established in 1993. In reducing costs for Malaysian students, many colleges in Kuala Lumpur are now engaged in twinning programs with Australia’s higher institutions of learning.

Other forms of social cooperation have also increased in the last decade in strengthening people-to-people ties between the two nations. In 1994, the Malaysia-Australia Foundation was established. As a follow-up, Australia-Malaysia Society was established in 1995 in Canberra to boost social cooperation be-
between the two communities. The two organisations have been playing an increasing role in private sector cooperation between the two countries to further strengthen relations between the business communities. Both organisations are also exploiting other avenues for enhancing cooperation in sectors such as arts, culture and tourism. Continued expansion in cooperation in the field of tourism, for example, will also improve ties between the people of both nations.

Improving Relations

The author makes several suggestions that Australia should begin to accept the Asian reality, its economic miracle and achievements as a basis for future enhanced relations: It is of vital importance to understand and acknowledge the complex nature of Asian societies.

Australia must read the historical struggle confronting Asia since the colonial era and until today. It is important to educate Australian society on Southeast Asia and Asia as a whole. The media can play an important role in building better relationship between the two different societies. In the past, the Australian media was quick and short-sighted in its remarks.

There is a strong need now to use media in a positive light to create better understanding and friendship between people and governments of both Malaysia and Australia. The increase in economic cooperation between Australia and Malaysia can be used to tailor social cooperation. Australia has established a good reputation in the field of economic cooperation.

Cultural cooperation through various activities such as in the arts, education, tourism and others can be increased. Education and Tourism are now sectors in which cultural cooperation could be instilled. More so, because Malaysia’s interest in these fields is consistent and has potential for growth. As trade and defence ties are getting stronger, exchange of visits by officials must be increased, including those of trade, defence and education ministers.

Informal networking among officials is vital - as one way in which the Asian experience has a lot to contribute. Australia should begin to explore how such patterns of cooperation are established among Asian countries. Australia should make efforts to become familiar with the ASEAN ways. ASEAN countries do have many differences but they are yet successful in strengthening the relationship among them. Australia could study the norms and principles in all ASEAN treaties and agreements. The Treaty of Amity and Cooperation and the ASEAN Accord are very useful assets which must be studied in detail.

Bilateral Forums/Dialogues can be established between Australia and Malaysia to iron out outstanding issues as well as to build strategic cooperation on a yearly basis. Micro- and macro-policies of the two countries can be projected in parallel lines whereby many similarities could be identified. This is one way to portray a good image. Australia could also take advantage of the emerging media revolution in Malaysia to create an environment which makes Malaysians understand Australia well.

At the political level, confidence building measures must be adhered to through coherent policies and government to government relationship. Australia should step-up publicity on successful ventures with Malaysia in whatever ways that are possible. Any form of “double-standards” and unpleasant remarks on Malaysia and other Asian countries should be avoided. Instead, Australia could find ways to help and work with Malaysia to improve the ties. The emergence of the new government led by John Howard in Australia is giving promising signs towards improving bilateral relations. On the part of Malaysia, Prime Minister Mahathir also recently indicated that social and political difference should no longer be allowed to hamper the ties between the two. Both countries agreed that mutual respect and egalitarian principles must be adhered to in order to increase cooperation. The past years had been a good case study for both whilst having lessons which are vital for the future. As economic factors are dominating political relations, it is in the interests of both Australia and Malaysia to grab the emerging opportunities within the region.

For Australia, the Asian reality is one factor which cannot be avoided. And the strengthening of bilateral relations is another factor of vital importance to its national interests. For Malaysia, Australia could be one of the cheapest sources for technology. Australia has also become a good venue for joint-ventures and investments for Malaysian corporations.

Both countries cannot afford to take light the bilateral affairs between them. In the near future economic, security, and social cooperation between Australia and Malaysia will likely be taking off to a higher platform than that in the past.

However, enhanced cooperation at the political level will take a longer time, for political cooperation demands more efforts to tear down the adamant walls of social and psychological barriers inherited from history.

(Note: Australia-Malaysia Bilateral Relations, 1985-1995 was presented at a forum in Brisbane by the writer who is with Malaysia’s Institute of Strategic & International Studies. The views expressed are personal and do not reflect any institutional or official stance.)