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## The Sixth Asean-Australia-New Zealand Dialogue 27-29 November 2013

**T**he Sixth Asean-Australia-New Zealand Dialogue was held over two days from 27-29 November at Kuala Lumpur, Malaysia. The Dialogue saw topics such as regional trade regimes, Asean community building, and the search for elusive peace in Southern Thailand being discussed over six sessions. It was organized by ISIS Malaysia in collaboration with Asialink and the Asia New Zealand Foundation. This report was compiled by Senior ISIS Fellow **Mr Bunn Nagara**, with the assistance of ISIS Interns **Ms Melody Goh** and **Ms Waayija Salmah**.

### Session 1: Decoding Regional Trade Regimes — RCEP and TPP

*If regional trade regimes are the order of the day, why are some more controversial than others? What are the popular concerns and anxieties of the public? For Southeast Asia in particular, what are the options for, assessments of, and priorities for the Regional Comprehensive Economic Partnership (RCEP) and the Transpacific Partnership (TPP)? Does it have to be a choice of one over the other? What are the ultimate determinants or arbiters of each country's choice? What are the strategic implications of the RCEP and TPP? The moderator for the opening session of the Dialogue was **Mr Vincent Kong** of the Brunei Darussalam Institute of Policy and Strategic Studies, while the lead discussants were **Prof Simon Tay** of the Singapore Institute of International Affairs, **Dr John Leslie** of the Victoria University of Wellington and **Mr Steven Wong** of ISIS Malaysia*

**Dr John Leslie** noted that the issue of intellectual property rights in the TPP had raised public concern in New Zealand. The TPP also meant that New Zealand-China trade relations would be affected, as trade negotiations touched on domestic political concerns which could become increasingly problematic over time. He said that the fundamental question about the RCEP and the TPP, which would affect the appeal of one over the other, was the nature of their compatibility, i.e. would they be compatible and complementary, or competitors?

Dr Leslie noted that New Zealand's trade strategy in the last twenty years has been one of trying to avoid choosing between a multilateral WTO and sub-regional or regional PTAs, while maintaining open relations with several regions.

RCEP concerned trade, investment and services, as well as physical infrastructure, while the TPP focused on issues like the global division of labour. Given their different in-built interests, he asked if they could be made to fit. RCEP was negotiated in a more manageable way, while TPP negotiations occurred



From left: Simon Tay, Steven Wong, John Leslie and Vincent Kong

among more players and were therefore more challenging. The choice for policymakers was whether to work for the benefit of people and society, or for the strategic interests of states.

**Prof Simon Tay** said it was doubtful whether the deadline for the TPP can be met by late 2013, especially with US commercial interests coming into the picture. Although the TPP's bilateral negotiations started with small states like Singapore and New Zealand, the involvement of bigger players had brought about a contextual shift to these negotiations. He said in terms of intellectual property and commercial production, the TPP would make the world more American with enormous changes taking place behind borders.

***The choice for policymakers was whether to work for the benefit of people and society, or for the strategic interests of states***

The rivalry between the US and China made the political context weigh heavier than the economic, Prof Tay said, adding that the centrality of Asean in the TPP, and the ambition of RCEP were also in question. The TPP, as an American exercise, would determine how we liberalize our economies and structure our governance. He asked if countries wanted to change at this pace. He said it could alter the way we managed our countries.

**Mr Steven Wong** said something like the TPP has not been attempted before and was challenging in its depth, scope and coverage of

issues. In the Intellectual Property chapter, a big block of countries supported the US, so the ultimate challenge was that nothing could be concluded until everything was concluded. It would certainly be a WTO plus, he said. But the intellectual property part was controversial, and opposed by countries like Australia, New Zealand and Malaysia. He noted that the US had probably over-extended itself there.

What would happen if one regional arrangement somehow faltered, he asked. We would then fall back to bilateral, 'plus-one' or 'TPP-minus' agreements. Can a region have more than one agreement? There was still no indication on whether the TPP and RCEP were complementary or competitive. Chinese policy thinkers seemed to believe the TPP was going nowhere, so China felt no pressure to join early. Regionally, a lack of progress altogether may reflect badly on Asean centrality. Therefore the incentive for the region to work on RCEP may grow.

During the question and answer session, the following were discussed:

If the US Congress could change the terms of the TPP, what was the point of countries negotiating with the US on it? And would China be joining the TPP?

Also, which would be concluded first: the TPP or RCEP? And whichever did so first, what would the implications be?

Furthermore, to what extent do domestic concerns shape the debate and discussion on the TPP? Given the lack of transparency surrounding the TPP exercise, how should the issue be addressed?

It was observed that it would be commendable for the Malaysian government to reach out to others, such as the corporate sector and civil society groups, on the TPP.

***In Thailand, the TPP is seen as having been hijacked by the US and is thus seen as US-driven***

But how was Asean progressing in the negotiations? And what would the future paradigm of the TPP be like?

It was observed that there are geopolitical overtones in the TPP, since it is a US-led effort. In Thailand, the TPP is seen as having been hijacked by the US and is thus seen as US-driven. A precedent of this type of agreement, an FTA between the US and Thailand, was launched a decade ago, and that had proved to be problematic. US-Sino rivalry is also contributing to the geopolitical nature of the TPP. Debates in Malaysia and Thailand have been fierce due to the powerful voice of civil society groups in both countries. It was also noted that the TPP did not make trade sense by not including China; it was also dividing the region.

The RCEP was described as not non-ambitious, as some have called it. It was found to be more developed than the TPP on some issues.

Overall, the RCEP was said to make more trade sense and therefore had better prospects, while the TPP was more politicized. RCEP was also more of an Asean project while the TPP was more a 'Pacific effort.'

Public awareness of what goes on in TPP negotiations was said to be next to nil. No government wanted to say too much. Japan took a long time to reach consensus on the TPP, but it was not very serious or committed. Since the Asean-Japan FTA had stalled, RCEP was of low priority to Japan; so it placed a higher priority on the TPP.

RCEP was meant not just to consolidate the region, but was intended to go much deeper. The TPP had two sides, market access and rules. There were said to be few problems with the access part, just the rules part of it.

***RCEP's practicality was said to lie in market integration of East Asia***

Opposition to the TPP was seen to be based around (1) the perception of it as a new form of colonialism; (2) welfare-based issues, like income distribution to the poor and anxieties about GMO (genetically modified organism) food; (3) special interest groups; (4) aid for certain groups as in affirmative action; and (5) hampering



*Participants at the dialogue*

of governments' ability to make policies. These issues were conflated with concerns over the TPP as a US-led effort.

RCEP's practicality was said to lie in market integration of East Asia. Southeast Asian countries preferred the more constructive RCEP to an imposing TPP. RCEP was also found to allow states to adjust their domestic regulations and deepen economic integration vis-a-vis the Asean Economic Community (AEC), while engaging dialogue partners in tackling globalization. RCEP would thus give Asean states more breathing space to develop.

## Session 2: Asean Community-Building — The Road Ahead

*With a formal Charter and imminent community status, Asean is coming of age. However, the pace of progress towards the community has been uneven. Spearheaded by the Asean Free Trade Area, the Economic Community is the most developed and advanced of the three pillars, with the Political-Security and Socio-Cultural pillars as laggards. This session identifies the challenges facing Asean and discusses the measures taken by the organization to make the Asean Community more substantive. The moderator for this session was Ms Melissa Conley Tyler of the Australian Institute of International Affairs. The lead discussants were Dr Shafiah Fifi Muhibat of the Centre for Strategic and International Studies in Jakarta, Ambassador Rodolfo Severino of the Institute of Southeast Asian Studies in Singapore and Dr Nguyen Nam Duong of the Institute for Foreign Policy and Strategic Studies at the Diplomatic Academy of Vietnam.*



From left: Shafiah Fifi Muhibat and Rodolfo Severino

**Dr Shafiah Fifi Muhibat** noted that at the last Asean Summit, the question of whether an Asean Community could be achieved by 2015 was raised. There was mention of a road map being in place, but there was scepticism too. There were also new developments like non-tariff barriers. She observed that a common problem with Asean agreements was slow ratification. The three key things that Asean needed to do were to revitalize and unite around security challenges in the region, develop a political and legal blueprint for cooperation, and focus on real, practical cooperation.

Dr Shafiah recalled that the 2009 Blueprint emphasized a rules-based community with shared norms, producing a dynamic outlook for a peaceful and cohesive region, with common responsibilities. She said the measures taken included an Asean Human Rights body (2009) and an Asean Security Outlook (2013), featuring common security concerns.

She said Indonesia's 2011 Asean chairmanship emphasized human rights, promoted democracy and justice, established the Asean Maritime Security Forum, set up the Peacekeeping Research Network, and addressed transnational crime and terrorism. She added that progress in the Asean Political-Security Community (APSC) so far included narrowing the gaps between member states. Asean had also been very proactive in addressing imminent security threats in the region.

She summarized the challenges to a vibrant community by 2015 as the following: scepticism due to the slow pace of ratification and implementation of policies undermining other efforts to build an Asean Community; a lack of quantifiable targets; an absence of credible blueprints to show clear objectives; and insufficient power for the Secretariat to implement and coordinate policies.

**Amb Rodolfo Severino** cautioned that although many saw the AEC as the most advanced of the three Asean Community pillars, it was the real laggard compared to the Political-Security and Socio-Cultural Communities. On paper, the AEC was the most time-bound, he said, which made it look most developed. However, different studies have found that the AEC cannot be in place by the target date of 2015. For him, the whole Asean



From left: Nguyen Nam Duong and Melissa Conley Tyler

Community development process was a work in progress. Despite the economic integration achieved so far among Asean countries, progress depended on peace and stability in the region. Emphasizing that things would take time, he added that Asean cannot be compared with the EU. Furthermore, Asean would not be able to solve the national problems of individual members, or bilateral problems between member states.

**Dr Nguyen Nam Duong** said all three pillars of the Asean Community were lagging behind, not just one. As much work still needs to be done, a more realistic date for establishing the Community would be 2030. He added that the achievements so far were more symbolic than real. There has been much talk of cooperative action, he said, but that had been only talk. There was not enough time to do much. The remaining months (until 2015) may be utilized only for repair, not for introducing significant changes.

He observed that while the most important elements for building the Asean Community were unity and solidarity, disunity over the South China Sea disputes has been challenging. The Asean Way, and particularly decision-making by consensus, needed to be reformed. The Asean Secretariat had to act as a policy coordinator and not merely as a 'post office.' A bigger budget for the Secretariat was needed, he said.

Dr Nguyen said the achievements so far included the Asean Charter, the promotion of human rights and democracy, the establishment of the Asean Maritime Forum, the development of

the Asean Defence Ministers' Meeting Plus, and the East Asia Summit. However, he said, the Political-Security Community blueprint could be difficult to implement, especially where conflict remained. The promotion of human rights might also be contrary to the upholding of state sovereignty.

During the open discussion session, the question was asked if any Asean member country really wanted a stronger Secretariat. Evidently, competition for authority and influence between the Secretariat and national governments was an issue.

### ***Asean countries preferred to use international dispute-settling mechanisms rather than Asean ones***

A most important factor remained a sense of regional identity. Everything else would follow from that. For example, while Vietnamese schoolchildren were said to be able to recite basic Asean facts because Asean awareness had entered their textbooks, people-to-people engagement and economic engagement, for example, were quite different. It was also noted that for regional disputes between member nations, Asean countries preferred to use international dispute-settling mechanisms rather than Asean ones, apparently because they were apprehensive that Asean mechanisms might be too biased towards one country or the other.

### **Session 3: Handling Refugees — Between Ethical Considerations, UN Conventions and National Interests**

*Besides economic migrants, refugees are also growing in number and variety. The different status of refugees impact on national policy, which is in turn bound by international law based on ethical considerations. But refugee expectations and demands seldom coincide with government priorities. How can refugees be defined and processed in a better manner? What partnerships should governments and NGOs consider? What have the experiences of Australia, Indonesia, Malaysia and Thailand taught with regard to humane considerations, UN conventions and*

political expediency? The moderator for this session was **Dr Ung Huot** of the Cambodian Institute for Cooperation and Peace. The lead discussants were **Mr Craig MacLachlan** of Australia's Department of Foreign Affairs and Trade, **Mr Freddy Panggabean** of the Embassy of the Republic of Indonesia in Malaysia, and **Ms Siti Hajjar Adnin** of Malaysia's Ministry of Foreign Affairs.

**Mr Craig MacLachlan** said the international system for handling refugees was under growing pressure. According to a UN estimate, some 240 million people or four per cent of the world's population was made up of refugees.

### ***Regional cooperation would be one of the most important factors in tackling the refugee situation ...***

Because of conflict in countries such as Afghanistan, Iraq, Somalia, Sudan and Syria, refugee numbers were multiplying. There were problems in relation to the growing number of refugees, and exploitation of the system for economic and social reasons and criminal activity. Other problems concerned the repatriation, resettlement, integration and citizenship of refugees. This region had made progress in handling refugees and human trafficking, Mr

MacLachlan said, as seen in the Bali process (the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, 2002). He said it was important to get the policies right, because refugees deserve our support. The right policies would also allow the migration of skilled workers.

**Mr Freddy Panggabean** said it was a mistake to approach the subject of refugees by studying the handling or treatment of refugees rather than studying how to stop people from becoming refugees. He said the majority of refugees detained by the UNHCR had no UNHCR documents at all.

Indonesia, a country of more than 17,000 islands, was not a destination for refugees from countries such as Myanmar, Mr Panggabean said. Rather, the country was used by these refugees only as a transit point to get to other countries like Australia and New Zealand due to Indonesia's proximity to these destinations. He noted that the assisted illegal entry of foreign refugees into the outer islands of Indonesia had largely gone unnoticed by security patrols, while the presence of refugees in Indonesia also contributed to the escalation of non-traditional security threats to the country. Regional cooperation would be one of the most important factors in tackling the refugee situation, as it is in tackling smuggling and human trafficking. Trust was also essential in such cooperation among stakeholders.



*From left: Craig MacLachlan, Ung Huot, Freddy Panggabean and Siti Hajjar Adnin*



*Bunn Nagara discusses a point*

**Ms Siti Hajjar Adnin** recalled that refugees arrived in Malaysia in waves, during the 1970s and the 1990s. Today, more than 90 per cent of refugees in Malaysia registered with the UNHCR are from Myanmar. Although Malaysia is not a signatory to the UN refugee convention, there are laws to protect refugees' welfare, such as those on providing humanitarian assistance, on a case-by-case basis. Refugees in Malaysia have access to local health care facilities and schools run by NGOs and the community, but not public schools. The Malaysian government was in the process of reviewing the possibility of employing them in certain sectors.

Discussions with UNHCR on improving the definition of refugees and their registration were underway, she said. A persistent problem was a tendency by third countries to accept only skilled and healthy refugees. There was an urgent need for greater burden-sharing by the international community. The task of handling refugees needed to be co-managed among governments.

In the discussion session, it was asked how refugees could be defined and processed better. What kind of partnerships should governments and NGOs consider having? What could be the way forward, with more durable solutions in the region?

It was said that political liberalization in Malaysia over the last decade has helped refugees voice their demands and assert their rights. Progress was also marked by committed activists in the country working without impediment.

As for the flow of illegal refugees into Myanmar alleged by the Myanmar government, the Bangladesh government has denied this. The

Myanmar government was said to be putting up a fence to keep the Rohingya people out. Mr Khin Maung Lynn said the previous military government in Myanmar was tougher on the issue, but a more liberal government has since been more accommodating. He said the Rohingya issue was not a religious problem for Myanmar. There were illegal migrants from China also coming into the country.

#### **Session 4: Southern Thailand — In Search of the Elusive Peace**

*Thailand's latest peace initiative for its South emerged swiftly, only to fade as rapidly. Both Thai and Malaysian governments pledged to work together to ensure success, but to little avail. Random, often inexplicable, bombings and shootings continue to plague efforts to forge a peaceful resolution. Have hopes been dashed again? What are the issues impeding progress? How can both sides be encouraged to invest more in the process? What changes are needed, in practical terms, to help ensure that the peace talks continue and that they will deliver tangible results?*

*The moderator of this session was **Mr Brian Lynch** of Victoria University of Wellington, and the lead discussants were **Prof Thitinan Pongsudhirak** of Chulalongkorn University, **Mr Mohd Azhar** of Malaysia's Ministry of Foreign Affairs, and **Prof Dennis Quilala** of the Institute for Strategic and Development Studies of the Philippines.*

**Prof Thitinan Pongsudhirak** said while peace for Thailand's southernmost provinces might seem less elusive, the conflict was still intractable. The 2.2 million ethnic Malay Muslims in southern Thailand may be a small minority, but still form 80 per cent of the population of the 'deep south.' This community has repeatedly made several demands of Bangkok: autonomy, establishment of Islamic law, making Yawi the official language, and the use of local taxation for local needs.

**... autonomy, establishment of Islamic law, making Yawi the official language, and the use of local taxation for local needs**

During peace talks with the Thai government in April 2013, five more demands were made by the rebels: Malaysia should be the moderator for the talks, not just a facilitator; the rebels should be called 'separatists' or 'freedom fighters' rather than 'insurgents'; Asean, the OIC and NGOs should be party to the talks as witnesses; all Malay-Muslim detainees should be freed; and there should be full autonomy but without territorial separation.

***The Thai government must respond swiftly to rebel demands in a spirit of give-and-take***

The conflict has been rated among the world's five worst, with thousands dead and many more injured. Prof Thitinan said the Thai authorities were not fully convinced that they have been talking to the right people on the rebel side. He noted that the violence was still very serious. The talks were still too politicized, the authorities were now more divided, and the rebels have become more of a challenge.

**Mr Mohd Azhar** said the Malaysian government viewed the conflict seriously and considered its role as that of an honest broker in facilitating the talks. That role had come through a personal invitation by Thai Prime Minister Yingluck Shinawatra in February 2013. The talks were still on-going, with Malaysia in touch with PULO (Pattani United Liberation Organization) leaders.

Peace was possible as long as there was hope, he said, and Malaysia was also helping with capacity-building.

Mr Azhar said Malaysia had made it clear to the rebels that it would not support separatism. Their loyalty should instead be to the Thai king. He said the first step would be to establish trust between the Thai government and the rebels. The next step should be a ceasefire, during which PULO and the BRN (Barisan Revolusi Nasional) should sit down for talks with the government. He added that Malaysia's policy favoured a 'win-all,' and 'prosper thy neighbour' approach. It wanted to see the Malaysia-Thai border become as prosperous (and peaceful and secure) as the Malaysia-Singapore border in Johor.

**Asst Prof Dennis Quilala** said there were grounds for optimism for a political solution if the Thai government was willing to negotiate and to compromise, if the rebels were willing to talk, and if a neutral third party like Malaysia or another government in the region is involved.

The current round of talks originated in Thailand and relied heavily on the role of the Thai army, he said. Since the violence has continued although public resources have been channelled to the southernmost provinces, the problem can be said to be not developmental and not just a security matter either. Any foreign party involved must be neutral. The media and civil society groups could help by providing correct information about developments. The Thai



*From left: Thitinan Pongsudhirak, Brian Lynch, Mohd Azhar and Dennis Quilala*



From left: Jenny Mc Gregor, Khin Maung Lynn, Andrew Butcher, Simon Tay and Lim Kheng Swe

government must respond swiftly to rebel demands in a spirit of give-and-take, and the parties must subscribe to the language of peace.

In the discussion session, the Thai approach to the nation state was described as very top-down, while the Thai army, it is believed, might not agree to the conditions for a settlement. The rebel groups themselves were said to be so divided and disunited as to complicate peace efforts even further.

Malaysia had made it clear to the BRN rebels from the start that it would withdraw from its role as facilitator of the talks if they insisted on separatism. Malaysia had to remain a neutral third party. Previous efforts were said to involve groups in Norway, Sweden and the US. However, the current situation was not conducive to involvement from parties outside the region. It was generally agreed that it was more important to build mutual trust between the Thai government and the rebels first.

**Session 5: Myanmar Today – Fledgling Reforms and Outstanding Challenges**

*Myanmar's 'opening' has been one of the most unexpected, but welcome, political developments in the region. Continuing political reforms are a game changer and offer the prospect of a more participatory and open political system. The 2015 general election is thus keenly anticipated. What measures in the run-up to the election would consolidate and strengthen these reforms? How will the authorities respond to, and manage,*

*outbreaks of sectarian conflict, most notably in Rakhine state? Can issues of statelessness and violence, seemingly impervious to reform, be the ultimate test of Myanmar's reformist drive? The moderator was **Dr Andrew Butcher** of the Asia-New Zealand Foundation, and the lead discussants **Mr Khin Maung Lynn** of the Myanmar Institute of Strategic and International Studies, **Prof Simon Tay** and **Mr Lim Kheng Swe** of the Singapore Institute of International Affairs, and **Ms Jenny McGregor** of Asialink.*

***The most important challenge was resolving the multiple armed conflicts with various ethnic groups through a peace agreement***

**Mr Khin Maung Lynn** said reforms in Myanmar have been ongoing since March 2011. The most important challenge was resolving the multiple armed conflicts with various ethnic groups through a peace agreement. The government had enlisted both the military and parliament in the search for peace. It was committed to making peace a long-term reality. Another task was constitutional reform. For this, he said, the Constitutional Joint Review Committee, created in 2013, was tasked with recommending changes to the Constitution.

A further task was establishing transparency, which was seen as essential for



*Participants of the dialogue*

boosting foreign investment. Next, justice and the rule of law, especially since the judicial system collapsed almost completely after nearly 50 years of military rule. In the same period, land-grabbing saw land being taken from farmers and given to companies that sold them on the local market. Demonstrations have since become more vocal; there can be no u-turns in going back to the politics of the past.

**Prof Simon Tay** said Singapore had been engaging Myanmar for some 20 years. While there had been political progress, democratization remained an issue. There were still several parliamentary seats reserved for the military. The Constitution still bars Aung San Suu Kyi from running for president. Suu Kyi's lack of experience and party support were likely future challenges. At the same time, her position on certain issues such as the conflicts and the Letpadaung copper mine have not been well received publicly.

The problem of the Rohingyas was a separate issue, complicated by the wealth of natural resources in Rakhine state. Issues of ethnicity, religion and violence were serious and have spread across the whole country.

**Mr Lim Kheng Swe** said reforms had given Myanmar's Central Bank more autonomy, moving it towards equality with other central banks in the region. The Communications Bill also showed a willingness to encourage foreign investment. He said a recent property boom had seen prices matching those in Singapore and New York. This, he said, showed that the financial system had problems, as the only safe place for people to put their money in seemed to be property. Growth was still stymied by the remaining international

sanctions. The economy remained heavily dependent on SMEs, a potential driver for further growth.

**Ms Jenny McGregor** said Australia's engagement with Myanmar was largely through aid and people-to-people programmes. NGOs had returned to Myanmar for long-term collaboration in areas like health care, but frustration persisted over issues like under-capacity.

The investment climate has improved following better exchange rates, but more attention was needed on macroeconomic policies in areas like finance and SMEs. Other challenges included the lack of basic infrastructure and telecommunications. Ms McGregor said that among foreign investors, there was still uncertainty over the 2015 election. The National League for Democracy could triumph, but there were concerns about their economic skills.

Continued military attacks on religious groups would escalate tensions, she said. Not enough was being done about the conflicts, thus undermining the government's position and hindering further reform. The Rohingyas needed to be recognized as Myanmar and not as Bengalis. The Buddhist majority was said to have lived peacefully with the Muslim minority for a long time. The problems in Rakhine would take time to resolve, but the recent ban on marriages between Muslims and non-Muslims has been a setback to peace efforts.

### ***The Rohingyas needed to be recognized as Myanmar and not as Bengalis***

During the discussion, it was asked how far a new parliament would be able to induct ethnic insurgent groups to nurture a fragile democracy. The lack of democratic experience of many new Members of Parliament could be a challenge. Many Myanmar, it was said, felt that the Constitution should be reformed to allow Suu Kyi to run for president. Some even preferred a new Constitution altogether. This would be more difficult than reforming the present one. It was pointed out that Suu Kyi lacked a successor and



*From left: Martin Kennedy, Pranee Thiparat and Paul Sinclair*

an enduring movement behind her. She might be an icon, but her work could be temporary in the life of the nation.

The younger military officers were said to be more liberal but they lacked education. However, they were willing to learn. While they had depended solely on China for training previously, this was no longer so.

#### **Session 6: Modalities to Deepen Australia's and New Zealand's Security Cooperation with Asean**

*Australia and New Zealand have long-standing security ties with Southeast Asia, with one of the most enduring — the FPDA (Five-Power Defence Arrangement) — dating back to 1971. Since then, the Tasman 2's security ties and linkages have expanded to the Asean Regional Forum (ARF) and Asean Defence Ministerial Meeting Plus (ADMM Plus). This session explores modalities and possible areas of security cooperation between the Tasman 2 and Asean. What are the Tasman 2's security priorities here? The moderator for this final session was **Dr Pranee Thiparat** of Chulalongkorn University, while the lead discussants were **Mr Martin Kennedy** of Australia's Department of Defence and **Mr Paul Sinclair** of Victoria University of Wellington.*

**Mr Martin Kennedy** said that as Asia became the world's centre of gravity, with Asean at the centre of this development, New Zealand and Australia were adjusting their priorities accordingly. He said the FPDA continued to evolve, which it needed to do. The FPDA had a special

place for Australia, particularly as it complemented the ARF (since 1994) and ADMM Plus.

Kennedy said he believed that Australia and New Zealand could contribute in specific areas, such as in major and regular ARF disaster relief exercises. He said the ADMM Plus had since 2010 provided significant opportunities for security cooperation, such as in fostering practical military cooperation. He gave the example of one or both of the 'Tasman 2' countries possibly teaming up on counter-terrorism with one or more Asean countries. Through close consultations and bilateral dialogues, ideas might be shared for closer cooperation without duplicating activities.

***... the prospect of the Tasman 2 countries working more closely with Asean countries depended on the opportunities the ADMM presented***

**Mr Paul Sinclair** said New Zealand has been engaging bilaterally with then Malaya and Singapore since 1949. Later, New Zealand joined the Southeast Asia Treaty Organization (SEATO), with the Manila Pact.

He said the FPDA was not static but had evolved, adapting to situations and the time. It was the only opportunity for New Zealand to

conduct multilateral security exercises. He said the emphasis was now on counter-piracy, for example, together with the ADMM Plus, prioritizing capacity-building.

Sinclair added that New Zealand's growing defence relations with Asean covered bilateral training programmes with Brunei, Indonesia, Philippines, Thailand and Vietnam. It had also contributed peacekeepers to the region, supported capacity-building in counter-terrorism, and contributed in areas like rule of law, criminal justice and counter-radicalization.

During the discussion, it was noted that Asean centrality in the region's security architecture has been demonstrated. Humanitarian assistance and disaster relief were particularly suited to multilateral arrangements.

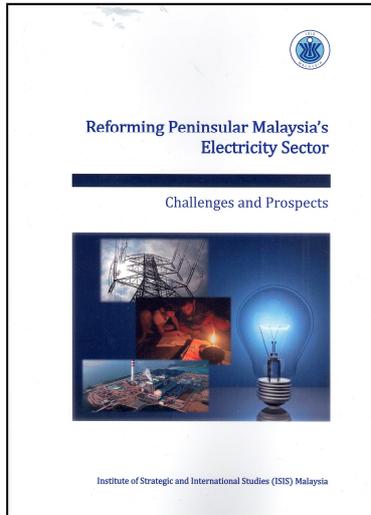
However, the prospect of the Tasman 2 countries working more closely with Asean countries depended on the opportunities the ADMM presented. With most FPDA programmes being bilateral, it might be possible to do more.

The main actors of the FPDA were said to be Malaysia and Singapore. Australia's role depended upon them. It was made clear that Australia took no sides in the South China Sea disputes. Canberra's interests were in seeing the disputes resolved peacefully.

Beyond Indonesia's possible FPDA membership, other Asean countries might also consider joining. However, the arrangement for now was exclusively for Australia, Britain, Malaysia, New Zealand and Singapore, so adding new members was said to be not a good idea.



*Sixth AANZ Dialogue group photo*

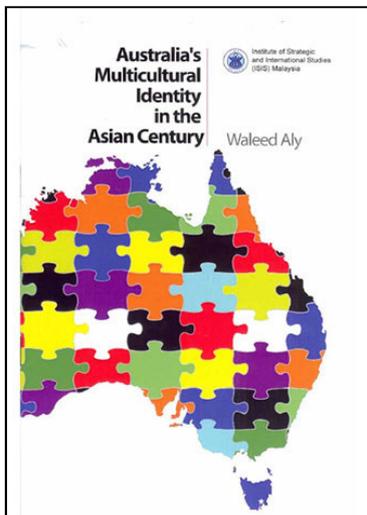


**Reforming Peninsular Malaysia's Electricity Sector:  
Challenges and Prospects**

Kuala Lumpur: ISIS Malaysia, 2014. E-book

The e-book discusses the prospects and challenges associated with the objective of reforming the power sector in Peninsular Malaysia. It revolves around four themes namely: energy market outlook and regional experience with electricity market reform; electricity tariff review in Malaysia and its expected impact; reforms to increase competitiveness in Malaysia's electricity sector; and, transition and adaptation to a new sectorial structure. These themes are drawn from the discussions that took place during the *Public Forum on Reforms in Peninsular Malaysia's Electricity Sector* which ISIS Malaysia and MyPower Corporation co-organized on November 7, 2013.

Available at: [http://www.isis.org.my/attachments/e-books/Electricity\\_Reforming\\_Final-book.pdf](http://www.isis.org.my/attachments/e-books/Electricity_Reforming_Final-book.pdf)



**Australia's Multicultural Identity in the Asian Century**  
**Waleed Aly.** Kuala Lumpur: ISIS Malaysia, 2014.

This monograph is based on a talk by the author, on 'Australia's Multicultural Identity in the Asian Century', at an ISIS International Affairs Forum on 30 April 2013, in Kuala Lumpur.

Available at: [http://www.isis.org.my/attachments/e-books/Waleed\\_Aly.pdf](http://www.isis.org.my/attachments/e-books/Waleed_Aly.pdf)





## **INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES (ISIS) MALAYSIA**

The Institute of Strategic and International Studies (ISIS) was established on 8 April 1983 as an autonomous, not-for-profit research organization. ISIS Malaysia has a diverse research focus which includes economics, foreign policy, security studies, nation-building, social policy, technology, innovation and environmental studies. It also undertakes research collaboration with national and international organizations in important areas such as national development and international affairs.

ISIS Malaysia engages actively in Track Two diplomacy, and promotes the exchange of views and opinions at both the national and international levels. The Institute has also played a role in fostering closer regional integration and international cooperation through forums such as the Asia-Pacific Roundtable, the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), the Pacific Economic Cooperation Council (PECC) and the Network of East Asian Think-Tanks (NEAT). ISIS is a founding member of the Council for Security Cooperation in the Asia-Pacific (CSCAP) and manages the Council's Secretariat.

As Malaysia's premier think-tank, ISIS has been at the forefront of some of the most significant nation-building initiatives in the nation's history. It was a contributor to the Vision 2020 concept and was consultant to the Knowledge-Based Economy Master Plan initiative.

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