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Foreign Affairs, Defence and Trade References Committee
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Submission to the Inquiry into Australian support for Ukraine

DroneShield is a medium-sized ASX-listed company focussed on Counter – Uncrewed Aerial System (C-UAS), otherwise referred to as counter-drone systems. These systems are designed, manufactured and supported from our Sydney Headquarters, leveraging an overwhelmingly Australian supply chain and exported all over the world. We supply many of Australia’s allies and have recently been selected to supply C-UAS capabilities under both a US military ‘Program of Record’ and the first C-UAS contract ever issued by the NATO procurement agency, NSPA. On a global level, DroneShield systems are widely considered to be the best available.

Given the extreme drone-centric doctrines being employed in the Ukraine conflict, C-UAS systems are critical. DroneShield has well over 1000 individual systems currently in Ukraine: some donated by Australia and other allied governments, others purchased directly by Ukraine. Additionally, DroneShield staff have travelled to Ukraine, supporting and training Ukrainians using C-UAS technologies. We feel this context provides us a unique perspective to comment on the current Senate inquiry into Australian support for Ukraine.

Reflecting on the speed of support into Ukraine, there are a number of aspects to consider:

1. **What type of support to send, and when.** The support decision process and timing has been quite opaque to Australian Defence Industry. It appeared that the support didn’t always align with the enunciated needs from Ukrainian Government representatives. Specifically, C-UAS was in the top-10 requests from Ukraine from the start of the war, but no C-UAS aid was provided until 18 months after the invasion despite Australia having arguably the best supplier of C-UAS equipment in the world.
2. **Speed to deployment (from Australia).** From DroneShield’s perspective, once the government decision was made to send hardware (approximately \$10m worth of DroneShield C-UAS equipment was provided as part of the Government’s \$20m



package late 2023), the ADF coordinated logistics consolidation and delivery of equipment to Ukraine. This coordination was well handled. From when the equipment was passed to the ADF, we received support enquiries related to that specific hardware, directly from the Ukrainian front-lines, in under 8 weeks.

3. **Speed to deployment (through International Fund for Ukraine - IFU)**. DroneShield has no direct visibility of how long it takes to get pledged funds, transferred via the IFU, to a front-line capability. It appears to be a slow process. The journey from the Australian Government, to the UK administered fund, allocation to a specific package, industry sourcing and then actual distribution to Ukraine, is not optimised for speed of delivery. It is frustrating that this approach was taken when there are a myriad of uniquely suited capabilities that could have been allocated in a more timely and cost-effective manner from Australia's Defence Industry.
4. **Speed of Relevance**. DroneShield has observed that Russian military forces, supported by Russian industry, are rapidly iterating their UAS capabilities; thus, requiring a corresponding iteration of Ukrainian C-UAS capabilities. This echoes the technological leaps that have occurred in every major human conflict in history, so is not surprising. Over the first two years of the war, DroneShield found that software updates were sufficient to address new Russian UAS technologies. Recently, we have observed that exotic frequencies are now being used; meaning that, previously effective hardware is now sub-optimal, with reduced ranges or much more limited tactical effects. Next generation C-UAS hardware is urgently required. This needs to be distributed rapidly and can't wait for a drawn-out processes.

Our recommendation is to focus Australian support for Ukraine by providing capabilities directly from Australian defence industry. Sending worn-out ADF equipment, or forwarding money indirectly through various International funds is not likely to materially assist in ending the Russo-Ukrainian conflict. We note the US Government has largely moved away from supplying its own stocks - instead procuring directly from industry.

The direct approach: provides Ukraine with a lot of its requested capability (C-UAS, drones, etc), and supports the Australian defence industry in increasingly uncertain geopolitical times (not only providing financial support via orders, but continuing to drive the capability edge in Australia). Donating capabilities from domestic manufacturers will position Australia and its defence industry at the front of mind for our allies, in particular Ukraine: they will receive, operate and in some cases, have their lives saved by Australian designed and manufactured solutions.

Kind regards

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