



## **Submission No 26**

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

**Organisation:** Department of Defence

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MINISTER FOR DEFENCE  
THE HON DR BRENDAN NELSON MP

Senator Alan Ferguson  
Chairman  
Foreign Affairs Sub-Committee  
Joint Standing Committee on  
Foreign Affairs, Defence and Trade  
Parliament House  
CANBERRA ACT 2600

17 NOV 2006

  
Dear Senator Ferguson

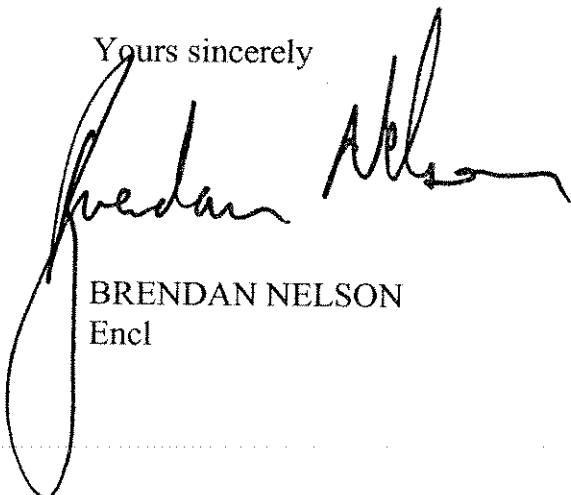
During Defence's attendance at the Sub-Committee's Inquiry into Australia's Relationship with Malaysia Public Hearing on 9 October 2006, Senator Payne asked Deputy Secretary Strategy, Mr Mike Pezzullo, on Notice, what specific Defence initiatives were provided to assist Australian industries trying to fulfil contracts in naval shipbuilding.

Defence has also received a request from your Sub-Committee's Secretary that it provide a Briefing Note on the United Kingdom's contribution to the Five Power Defence Arrangements to the Sub-Committee.

Defence is pleased to provide the Sub-Committee with the response to Senator Payne's Question on Notice, together with a Briefing Note that outlines the United Kingdom's Contribution to the Arrangements. I enclose a copy of both documents for the Sub-Committee's consideration.

I trust this information will be of assistance to you.

Yours sincerely

  
BRENDAN NELSON  
Encl



**PARLIAMENTARY INQUIRY INTO AUSTRALIA'S RELATIONSHIP WITH  
MALAYSIA**

**QUESTION TAKEN ON NOTICE**

**QUESTION 1**

**Australian Defence Industry Participation in Malaysian Multirole Support Ships  
Acquisition**

Senator Payne

Hansard reference: p35, FADT 09 October 2006

– Can you give us some idea – on notice – of the specific initiatives that the defence industries part of the department does to assist Australian companies that are trying to fulfil the contracts on this?

**RESPONSE**

- Defence industry policy includes encouragement and support of Australian defence industry initiatives to supply defence materiel to approved overseas purchasers. Programs in place to support these initiatives include the international promotional activities of the Defence Materiel Advocate, specific export facilitation activities conducted by the Defence Materiel Organisation under the Team Australia banner and defence materiel cooperation under international bilateral agreements. Activities include the promotion of Australian defence industry capabilities at selected international defence exhibitions, facilitated trade missions to engage the senior decision makers of potential international customers, and the use of Defence assets, both at home and abroad, to demonstrate the effectiveness of Australian defence products.
- Specific initiatives directed at Australian defence industry participation in the Malaysian Multirole Support Ships acquisition include a range of Ministerial correspondence to Malaysian counterparts supporting Australian company solicitations and on-going consideration, at the request of Malaysia, of a Government-to-Government arrangement covering the Malaysian acquisition. Purchase of the ships from an Australian supplier would be on a commercial basis but a Government-to-Government arrangement which could cover such matters as research and development cooperation, joint training and doctrine development, and technology transfer could potentially be undertaken under the existing Malaysia Australia Joint Defence Program.

## **BRIEFING NOTE ON UNITED KINGDOM CONTRIBUTION TO THE FIVE POWER DEFENCE ARRANGEMENTS**

In recent years the Five Power Defence Arrangements (FPDA)<sup>1</sup> Member nations have adapted the FPDA's focus towards joint operations and towards addressing the increase in asymmetric threats in the region. To retain its relevance in the changing regional security environment the FPDA has expanded on the original air defence role focus to encompass joint operations.

The United Kingdom, as one of the five member nations of the FPDA, is fully committed to its continuing involvement in the Arrangements and values highly the opportunity to undertake constructive, meaningful engagement in the region.

The FPDA is managed through Headquarters Integrated Area Defence System (HQIADS). HQIADS plays a pivotal role as exercise co-ordinator and in maintaining Standard Operating Procedures for the five member nations. With the evolution of the Headquarters into an Integrated Area Defence System, the United Kingdom does not envisage HQIADS developing a role as an operational headquarters in waiting.

The United Kingdom contributes five personnel to the multinational staffed Headquarters, which is located at RMAF Butterworth, including a Wing Commander (usually a fighter controller) who holds one of the three key positions in the Headquarters. The other four United Kingdom staff hold key planning and technical positions within the Headquarters, which enable FPDA fighter control and communications systems to remain operational.

Doctrine from the United Kingdom is also used within the FPDA framework, as is the provision of considerable technical and development support from the United Kingdom.

The United Kingdom appreciates the hard work carried out by the multinational Headquarters Staff and acknowledges the importance of each member nation's contribution to the Headquarters.

While the United Kingdom wishes to explore Humanitarian Assistance and Disaster Relief cooperation within the FPDA, it believes the focus of the scarce resources available to FPDA should remain on security issues.

FPDA exercises provide the five member nations with valuable, realistic and professional training in war fighting; training which is difficult for our military forces to obtain elsewhere and the United Kingdom remains committed to significant deployments to FPDA exercises. The valuable experience gained through simultaneous surface and air combat provides real benefits all FPDA member nations and remains an important component of current and future FPDA engagement.

On widening FPDA engagement, the United Kingdom welcomes progress made so far on the inclusion of "non-conventional" [*terrorism, piracy and counter-proliferation operations*] scenarios into FPDA exercises and encourages further development and

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<sup>1</sup> FPDA signatories are UK, Australia, Malaysia, New Zealand and Singapore.

multi-agency participation in future exercises, especially where it will provide tangible benefits to the five member nations.

The UK will take the lead for the inaugural Exercise SUMAN PROTECTOR in 2007, planned for September 2007 at HQIADS, at RMAF Butterworth in Malaysia. Exercise SUMAN PROTECTOR 07 is a command post exercise and will exercise higher headquarters functions supporting a Combined Joint Task Force Commander in a multinational coalition environment. Exercise SUMAN PROTECTOR 07 will exercise FPDA's interim capability en route to achieving a full combined joint capability at the operational level by 2011.

As part of its strong commitment to the FPDA, the United Kingdom will deploy a 620-strong contingent to Malaysia, predominantly from its Permanent Joint Headquarters in Northwood. The large size of United Kingdom deployment is such that no other FPDA member nation could be capable of contributing to future iterations of the Exercise and is another indication of the high value the United Kingdom places on its participation in the Arrangements.

The United Kingdom is keen for other nations to be involved with security initiatives in South East Asia, however does not believe this should be under the aegis of the FPDA.

The United Kingdom envisages ongoing and productive participation in the Five Power Defence Arrangements for many years to come and appreciates the opportunity to work alongside the other member nations of the FPDA.