



Submission No 13

Inquiry into Australia's Relationship with Malaysia

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DEPARTMENT OF DEFENCE SUBMISSION



Australian Government

Department of Defence

**JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS,
DEFENCE AND TRADE**

FOREIGN AFFAIRS SUB-COMMITTEE

**INQUIRY INTO AUSTRALIA'S RELATIONS
WITH MALAYSIA**

DEPARTMENT OF DEFENCE SUBMISSION
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DEPARTMENT OF DEFENCE SUBMISSION
INQUIRY INTO AUSTRALIA'S RELATIONS WITH MALAYSIA

Executive Summary

- Australia's defence relationship with Malaysia is among our strongest in the region, is an important element of the wider bilateral relationship and supports Australia's strategic and national interests.
- Australia and Malaysia share longstanding historical defence links, dating back to the Second World War before Malaysia declared independence.
- The defence relationship is currently one of our most active in the region, with a wide range of activities, including regular senior officer meetings, officer secondments, attendance on training courses and participation in bilateral and multilateral exercises.
- This longstanding defence engagement provides access to decision-makers at critical times and has generated significant goodwill at all levels between our respective armed forces.
- Australia's access to RMAF Butterworth provides ongoing logistic and training benefits to Australia, and has repeatedly proven its strategic value, most recently following the 2004 tsunami.
- It is in Australia's interests that Malaysia has a capable military force, able to respond professionally to military and humanitarian tasks and work effectively with the ADF to address security challenges.
- Defence engagement has also allowed us to develop the capacity for our military forces to operate together, contributing to our successful combined operations in East Timor.
- Australia will continue to pursue mutually-beneficial opportunities to enhance the relationship, particularly in areas of shared interest such as maritime security, counter-terrorism, peace keeping and humanitarian assistance.
- Australia continues to value our participation in the Five Power Defence Arrangements as a positive contribution to regional stability and an example of multilateral cooperation for the wider region.

DEPARTMENT OF DEFENCE SUBMISSION
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Introduction

1. This submission focuses on those aspects of the Inquiry's Terms of Reference that are relevant to the Department of Defence, specifically defence cooperation and regional security. It outlines the policy basis for Australia's defence relationship with Malaysia, how Australia benefits from the relationship and the current status and outlook for the relationship.

Why do we have a defence relationship with Malaysia?

2. The geo-strategic location of Malaysia makes its security and territorial integrity important to Australia and to the region as a whole. Geographically, Malaysia is the last span of the land bridge approaching Australia from Asia, is centrally positioned within Asia itself and in relation to air and maritime approaches from the north. Malaysia occupies an important geo-strategic position alongside sea lanes of significant importance to Australia, specifically the Malacca Straits and the Sulu and Celebes Seas.

3. Australia's defence relationship with Malaysia is an important element of the wider bilateral relationship and supports Australia's strategic and national interests. Australia and Malaysia share many strategic and security interests, and both countries see a secure and stable region as a central tenet of economic development. Malaysia is an influential member of regional forums such as ASEAN, the East Asian Summit, the Organisation of the Islamic Conference and the Non-Aligned Movement. Australia's overall relationship with Malaysia is one of the closest that we have with an Islamic country, and the defence relationship is arguably the strongest.

4. Australia and Malaysia have strong historical defence links, and the Australian Defence Force's commitment to the security of Malaysia is longstanding, dating back to the period before Malaysia achieved independence. It began with the Malayan Campaign in World War II, and was followed closely by Australian Defence Force (ADF) personnel participation in a Commonwealth led force to defeat the Malayan Communist insurgency during the Malayan Emergency. Australia's involvement in the Malayan Emergency – commencing in 1950 and ending in 1963 – is the longest continuous military commitment in Australian history. 39 Australian service personnel were killed in that conflict, and 27 were wounded. ADF personnel also assisted in the defence of Malaysia during the Indonesian Confrontation between 1963 and 1966, which saw 23 Australian service personnel killed and eight wounded.

5. The Government's White Paper on Defence, *Defence 2000: Our Future Defence Force* outlines the basis for Australia's defence relationship with Malaysia. The guidance in that document remains current:

5.37 Australia and Malaysia have a long history of military cooperation, demonstrated over the years by Australia's support for the territorial integrity of Malaysia in earlier crises and through the ongoing ADF presence at Butterworth. A wide range of practical bilateral cooperation underlines the durability of our shared interests in regional security.

5.38 Australia's membership of the Five Power Defence Arrangements (FPDA) commits Australia, along with New Zealand and the United Kingdom, to assist Malaysia and Singapore against external aggression. Membership of the FPDA serves enduring Australian interests in the security of maritime Southeast Asia, and complements our bilateral relationships in the region. The FPDA is changing in response to increasing complexity in the regional environment and to meet the demands of modern warfare. The FPDA Ministers' Meeting in 2000 reaffirmed the basic purpose of the Arrangements, and recognised their likely evolution from mainly air defence to a combined and joint operational focus.

The current state of the defence relationship

6. The current bilateral defence relationship between Australia and Malaysia is among the strongest that we have in our region, underpinned by the longstanding historical links between our two nations. The relationship is also the strongest defence relationship that we have with a Muslim country. Our defence forces have many shared interests and priorities, including developing our respective abilities to deal with terrorist threats and to respond to natural disasters, ensuring safe maritime security, and a peaceful and prosperous region. The strength of the relationship is reflected in the range of activities that it encompasses, including high level strategic dialogue, joint exercises, personnel exchanges and information sharing. Australia has budgeted approximately \$5.4m of Defence Cooperation funds for activities with Malaysia for the financial year 2006/07.

7. A Status of Forces Agreement (SOFA) between Australia and Malaysia was signed in 1996 and took effect on 22 July 1999. This SOFA applies reciprocally to both countries and facilitates defence engagement by establishing a set of standard conditions for the presence of visiting forces, particularly on issues such as jurisdiction, claims, immigration requirements and customs duties.

8. The defence relationship is underpinned by the Malaysia – Australia Joint Defence Program (MAJDP), established in 1992. The MAJDP provides a structured framework for bilateral defence activities from high-level policy talks to detailed administration of individual training programs. The MAJDP emphasises mutual benefit and reciprocity, and focuses on jointly identifying mutual priorities for the future. The MAJDP is managed by an annual working level meeting that determines the priorities for the relationship for the coming year.

9. An illustration of the strong defence relationship is the recent decision by the Malaysian Government to issue a commemorative medal (Pingat Jasa Malaysia) to Australian servicemen and women who served in prescribed areas of Malaysia during the period from Malaysian Independence on 31 August 1957 to 12 August 1966

during the Malayan Emergency and the Indonesian Confrontation. Over 12,000 Australian servicemen and women have been identified as eligible for this award, of whom approximately 4,000 have been issued with their award by Malaysia so far. The first medal was personally awarded in January this year to the Governor General, His Excellency Major General Michael Jeffery AC, CVO, MC (Ret'd) by the Malaysian Chief of the Defence Force during his visit to Australia.

10. There is an active strategic dialogue program with Malaysia, either bilaterally or as part of our respective membership of the FPDA. The biennial defence Policy Talks are chaired by the Secretaries of our respective departments, and were last held in March this year in Canberra. The Defence Ministers from both countries meet formally at the triennial FPDA Defence Ministers' Meeting, and informal meetings are held each year that a formal meeting is not held. The Australian and Malaysian Chiefs of Defence Forces meet annually at the FPDA Defence Chiefs' Conference. The inaugural Navy to Navy talks were held in 2005, and it is expected that future talks will occur annually. In 2005 the Department of Defence also participated in the inaugural Department of Foreign Affairs and Trade-led Regional Security Dialogue with Malaysia, which is expected to become an annual event.

11. In addition to formal strategic level dialogue, there is an active senior officer visit program between the two countries. Malaysia's Chief of the Defence Force, Secretary, Chief of Navy and Chief of Army have visited Australia so far in 2006, with their Chief of Air Force and Minister for Defence expected to visit later this year. Australia's Minister for Defence, Chief of the Defence Force and Secretary have all visited Malaysia this year. Records of senior visits for 2005 and 2006 to date to Malaysia and Australia are at Annexes A & B respectively. There are also frequent meetings among senior officers at regional fora such as the International Institute for Strategic Studies Shangri-La Dialogue.

12. A feature of our defence relationship with Malaysia is the large number of ADF and MAF personnel attached to training institutions or other units in either Malaysia or Australia. There are 12 MAF officers on long term postings to various ADF sites throughout Australia, principally as instructors at ADF training units, significantly more than any other regional country. Australia has six ADF officers on long term postings throughout Malaysia, including one officer located within the MAF headquarters to coordinate MAJDP activities – the only non-Malaysian officer physically located in the headquarters. These positions are listed at Annex C. The postings also contribute to the close personal links between members of the ADF and MAF, and provide service personnel with insight to each other's practices and perspectives.

13. Both countries see educational exchanges as an important way of understanding each other's strategic concerns, developing closer personal ties and maintaining regular contact that helps build confidence for cooperation in other areas. Australia offers Malaysia a significant amount of training in all areas of defence operations and processes. In 2006 Malaysia was offered 99 positions on a wide range of short term ADF training courses and 11 postgraduate scholarships for defence related study. The number of training courses and postgraduate scholarships offered to Malaysia exceeds that offered to any other country. ADF officers attend a small

number of MAF training courses, in areas such as peacekeeping and jungle combat survival.

14. Malaysia and Australia participate in a number of military exercises, both bilaterally and in multilateral environments. We undertake the annual Army exercise Southern Tiger, Haringaroo, which is held three times a year to coincide with rotations of our Rifle Company at the Royal Malaysian Air Force (RMAF) base at Butterworth, as well as several Special Forces exercises interspersed throughout the year. The bilateral Navy exercise Mastex, is conducted annually. Malaysia and Australia also exercise together in the two annual maritime and one annual land FPDA exercises. Malaysia has been invited to participate in the Australian-lead multilateral air exercise Pitch Black. Navy engagement occurs during the RAN-lead biennial multilateral maritime exercise Kakadu, and the Royal Malaysian Navy has been invited to participate in the multilateral submarine rescue exercise Pacific Reach which will be held in Australia in 2007. In addition, there are numerous Royal Australian Navy ship visits to Malaysia, often involving passage exercises with vessels of the Royal Malaysian Navy.

15. Australia is currently the only country with forces permanently based on Malaysian soil, with approximately 51 ADF personnel located at RMAF base Butterworth. The Air Force Base was placed under RAAF control in 1958 by Britain and later returned to Malaysian ownership in 1970. With the RMAF still in its infancy, two RAAF Mirage fighter squadrons were deployed at the base, thus marking the start of the RAAF presence as the primary contributor to the air defence of Malaysia. A permanent RAAF flying presence remained at RMAF Butterworth until 1988, when the Mirage squadrons were redeployed to Australia, and replaced with a program of short term deployments. Australia continues to maintain a presence at RMAF Butterworth. Currently RAAF units comprise 324 Combat Support Squadron and 92 Wing Detachment Alpha, which support visits by various aircraft. Army maintains a Land Command Liaison Section, which provides logistic and administrative support for various ADF exercises and activities in the region.

16. An important aspect of the bilateral defence relationship between Australia and Malaysia is our respective membership of the multilateral Five Power Defence Arrangements (FPDA). Australia and Malaysia's membership of the FPDA, along with Singapore, New Zealand and the United Kingdom, has continued to enhance cooperation among FPDA members since its formation in 1971. Membership of the FPDA commits Australia, Malaysia, New Zealand, Singapore and UK to consult in the event of an attack on Singapore or Malaysia. Australia supports the FPDA by providing ADF personnel and assets for FPDA exercises, as well as seconding nine ADF personnel to the FPDA Headquarters Integrated Area Defence System, including the Commander, a RAAF Air Vice-Marshal. The FPDA is the only regional multilateral defence arrangement. Over the last thirty years it has evolved to form a key element of defence relations between the five members and continues to provide a stabilising influence in the region.

17. In recent years, the FPDA has begun to develop its ability to address non-conventional threats, initially focusing on maritime security incidents. In addition, FPDA Ministers agreed this year that the FPDA would explore how it could assist with regional humanitarian assistance and disaster relief. FPDA exercises, conducted

in the South China Sea, now include a separate maritime security scenario, which provides invaluable practical experience of multilateral operations in an area of strategic importance to Australia. The FPDA is working to increase security in the region by bringing together non-defence agencies from Malaysia and Singapore to assist the defence forces of those countries in responding to any maritime security incident.

18. With the growing economy in Malaysia, Australian defence industry has expanded its interaction with sales to the Malaysian Armed Forces (MAF) of a range of defence products and services including aircraft and helicopter parts and support, personnel protection equipment, night vision devices and propellant for small arms ammunition. Australian companies are also bidding for some major military acquisitions which will further develop relationships with Malaysian companies. It is expected that these relationships will increase as Malaysia continues to develop its military and humanitarian response capabilities and seeks to enhance its interoperability with military forces in the region.

What benefit has the defence relationship provided to Australia?

Access and goodwill

19. The historical defence links between Australia and Malaysia have provided a solid foundation for the continuing close defence cooperation between our two nations. Malaysia respects the Australian Defence Force as a modern and effective defence force and has increasingly sought to work with Australia across an ever-increasing range of areas. The defence relationship has delivered significant benefits for Australia, particularly access to key decision makers at critical times. That close cooperation across all levels of our respective armed forces has delivered a strong and enduring defence relationship with genuine goodwill between all levels of our respective armed forces.

20. A tangible demonstration of this goodwill has been Malaysia's ongoing permission for ADF personnel to be based at RMAF Base Butterworth. The ADF's presence at RMAF Butterworth contributes to its capability to conduct maritime surveillance activities in the region, in particular through RAAF AP-3C surveillance flights under Operation Gateway. It also provides valuable experience for ADF units by allowing them to interact with a regional military force, and providing insights into the Malaysian environment and culture. RMAF Butterworth is the base for the Rifle Company Butterworth, comprising approximately 120 ADF personnel on a 13 week rolling rotation that aims to develop proficiency in infantry minor tactics and expose ADF units to the experience of operating in a foreign regional environment. Australia is gradually upgrading its facilities at RMAF Butterworth to ensure that they are able to support future exercises.

21. Access to RMAF Butterworth has proven its strategic value to Australia on many occasions, from a transit hub during the Vietnam War to its key role in the evacuation of Australian nationals from Cambodia in 1997. The strategic importance of the ADF's presence at RMAF Butterworth was most recently illustrated during Australia's response to the 2004 tsunami, when RMAF Butterworth operated as a

forward logistics hub for ADF operations in Aceh. Australia was the only country to be granted permission by Malaysia to use RMAF Butterworth in this manner, a direct benefit of our close working relationship. The ADF's existing facilities, locally employed civilians and deployed units at RMAF Butterworth directly contributed to Australia's prompt and successful tsunami response in Aceh.

Capability Development and Interoperability

22. It is in Australia's interests that Malaysia has a capable military, able to respond professionally to military and humanitarian tasks and work effectively with the ADF to address security challenges. Close defence engagement has also assisted Malaysia in developing its modern and professional armed forces, and enabled us to develop the capacity to operate together. Malaysia's willingness and ability to operate with the ADF in East Timor under the command of the Australian Task Force Commander, was an example of the benefits flowing from our close defence engagement.

Outlook for the defence relationship

23. We are satisfied that our current level of engagement with Malaysia is appropriate and supports our strategic interests. Australia will continue to pursue mutually-beneficial opportunities as they arise, particularly in areas of shared interest such as maritime security, counter-terrorism, peacekeeping and humanitarian assistance.

24. We expect the high level of access and influence that we enjoy with Malaysia to continue and to prove the value of our close defence relationship. ADF access to RMAF Butterworth has been strategically valuable in the past and will continue to prove its value in the future. There are few other regional bases where we enjoy such access for support to our operations. Our ability to operate together should continue to develop, reaping benefits in future combined operations, as we have recently seen in East Timor.

25. The FPDA is an important pillar in our defence relationship with Malaysia, and we will continue to actively support this multilateral security Arrangement. With the FPDA improving its ability to address non-conventional threats, such as terrorism and humanitarian assistance/disaster response, our membership serves our security interests in Southeast Asia and complements our bilateral relationships in the region, particularly with Malaysia.

ANNEX A

SENIOR AUSTRALIAN DEFENCE OFFICIALS VISITS TO MALAYSIA 2005 – 2006

Senior Officer	Purpose of Visit	Dates of Visit
Rear Admiral Davyd Thomas Maritime Commander	Attend Western Pacific Naval Symposium (WPNS) Mine Countermeasures (MCM)	6 June 2006
Commodore Peter Lockwood Commander Flotillas		17 June 2006
Mr Ric Smith Secretary	Accompany Minister for Defence to Five Power Defence Arrangements Defence Ministers' Meeting and visit to RMAF Butterworth	5 – 6 June 2006
Major General Ian Gordon Deputy Chief of Army	Attend Defence Services Asia Exhibition and undertake official calls	24 – 27 April 2006
Air Chief Marshal Angus Houston Chief of the Defence Force	Attend Five Powers Defence Arrangements Defence Chiefs Conference	26 – 29 March 2006
Air Marshal Greg Shepherd Chief of Air Force	Visit RMAF Butterworth	24 February 2006
Major General Richard Irving Commander 2 Division	Observe Rifle Company Butterworth rotation	13 – 18 December 2005
Vice Admiral Russ Shalders Chief of Navy	Attend Langkawi International Maritime and Aerospace Exhibition 2005	7 – 8 December 2005
Air Vice-Marshal John Quaipe Air Commander Australia		4 – 9 December 2005
Major General Jim Molan Defence Materiel Advocate		6 – 9 December 2005
Air Vice-Marshal Roxley McLennan Deputy Chief of Air Force	Official calls	28 – 30 November 2005
Rear Admiral Davyd Thomas Maritime Commander	Attend closing ceremony of FPDA exercise Bersama Lima	30 September 2005
Vice Admiral Russ Shalders Chief of Navy	Attend opening ceremony of FPDA exercise Bersama Lima	15 – 16 September 2005
Air Vice-Marshal John Quaipe Air Commander Australia		
Air Marshal Greg Shepherd Chief of Air Force	Official calls	31 August – 2 September 2005
Air Vice-Marshal John Quaipe Air Commander Australia	Attend Senior Leaders Forum	26 – 29 July 2005
Major General Neil Wilson Assistant Chief of the Defence Force – Reserves/Head Reserve Policy	Briefings and official calls	25 – 26 June 2005
Dr Nanda Nandagopal Deputy Chief Defence Scientist	Attend Asia Pacific Defence Electronics Conference	25 – 27 April 2005
Vice Admiral Russ Shalders Vice Chief of the Defence Force	Briefings and official calls	21 – 24 March 2005

ANNEX B

SENIOR MALAYSIAN DEFENCE OFFICIALS VISITS TO AUSTRALIA 2005 – 2006

Senior Officer	Purpose of Visit	Dates of Visit
General Dato' Sri Nik Ismail bin Nik Mohammed Chief of Air Force	Official counterpart visit	3-6 August 2006
General Dato' Sri Abdul Aziz bin Hj Zainal Chief of Army	Official counterpart visit	3 – 6 July 2006
Tan Sri Dato' Sri Subhan bin Jasmon Secretary-General Ministry of Defence	Attend the 9 th Malaysia Australia Defence Policy Talks	26 – 29 March 2006
Admiral Datuk Ilyas bin Hj Din Chief of Navy	Official counterpart visit	26 February – 1 March 2006
Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor Chief of the Defence Forces	Official counterpart visit	29 January – 2 February 2006
Vice Admiral Abdul Aziz Haji Jaafar First Admiral Hj Kasmin Hj Butarjit (Rtd)	Attend the Royal Australian Navy Sea Power Conference	28 January – 2 February 2006
Lieutenant General Dato' Muhammad Ismail bin Hj Jamaluddin Deputy Chief of Army	Attend the Australian Army Skill at arms meeting	24 – 27 September 2005
Lieutenant General Dato Masood bin Zainal Abidin Land Force Commander	Attend the closing ceremony for Exercise Southern Tiger	13 – 16 September 2005
Vice Admiral Dato' Mat Rabi bin Abu Samah Chief of Staff Headquarters Malaysian Armed Forces	Official counterpart visit	7 – 14 September 2005
Major General Dato Mouktar bin Permau General Officer Commanding Army Training Command	Attend opening ceremony for Exercise Southern Tiger	2 – 6 September 2005
Dr Abdul Ghaffar bin Ramli Director General of Science and Technology Research Institute for Defence	Calls with the Defence Science and Technology Organisation	13-17 August 2005
Vice Admiral Dato' Mahammad bin Nik RMN Fleet Operations Commander	Observe Exercise Kakadu	24 July – 4 August 2005
General Dato' Sri Nik Ismail bin Nik Mohammed Chief of Air Force	Attend the Avalon Air Show	13-17 March 2005

ANNEX C

**AUSTRALIAN DEFENCE FORCE / MALAYSIAN ARMED FORCES
DEFENCE COOPERATION POSITIONS**

Australia Defence Force Seconded Positions in Malaysia	Malaysian Armed Forces Seconded Positions in Australia
Staff Officer Grade One MAJDP (Army Lieutenant Colonel), HQMAF, Kuala Lumpur	Directing Staff (Army Lieutenant Colonel), Australian Command and Staff College, Canberra.
Directing Staff (Army Lieutenant Colonel), Malaysian Armed Forces Staff College, Kuala Lumpur	Instructor (Army Major), School of Artillery, Combat Arms Training Centre, Puckapunyal.
Principal Warfare Officer Instructor (RAN Lieutenant Commander, Royal Malaysian Navy Tactical Training Centre, Lumut.	Instructor (Army Major), School of Armour, Combat Arms Training Centre, Puckapunyal.
Instructor Armour Training Centre (Army Major), School of Armour, Port Dickson.	Malaysian Seconded Officer (Army Major), Defence International Training Centre, Melbourne.
Instructor All Arms Tactics (Army Major), Malaysian Combat Arms School, Johor Baharu.	Instructor (Air Force Major), School of Air Traffic Control, RAAF Base East Sale.
Instructor (Army Captain), Malaysian Army Cadet College, Johor Baharu.	Instructor (Army Major), Headquarters Land Warfare Centre, Canungra.
2 x students at Malaysian Command and Staff College	Instructor (Army Captain), Royal Military College, Canberra.
	Instructor (Army Major), Army Logistic Training Centre, Bandiana.
	Project Officer (Navy Lieutenant Commander), Logistics Management Group, Defence Materiel Organisation, Sydney.
	Instructor (Army Captain), Defence Force School of Signals, Watsonia, Melbourne.
	2 x Navy Lieutenants, RAN Hydrographic School, HMAS Cairns.
	1 student at the Australian Defence Force Academy
	3 students at the Australian Command and Staff College
	1 student at the Centre for Defence and Strategic Studies