

# **Chief of Navy Address at Sea Power Conference 2017**

Luncheon Address

Navy's Operationalisation the Naval Shipbuilding Plan

5 October 2017

Sydney

Good Afternoon.

I trust that you have all enjoyed the Pacific International Maritime Exposition 2017 and the Sea Power Conference 2017.

It has been a great opportunity for Navy and Industry to showcase our future maritime capabilities.

We have had the opportunity to reflect on the need to shift Australia's National Maritime Identity from one of 'continental consciousness' to one of 'island consciousness' — where we have a true understanding of the importance of Australia's maritime domains to our broader national security interests and economic well-being.

We discussed how navies can fight and win at sea through operational innovation and not just through reliance on advancements in technology.

We have explored the different policies that key maritime nations are pursuing in relation to the Blue Economy, and emphasised the importance of sustainability and social responsibility.

We have reflected on our achievements over the past two years.

From my perspective, and I won't go into detail, there have been many achievements. However, I did want to take the opportunity to acknowledge and thank each and every person in the room for their contribution to these achievements.

Throughout this week we have also had the opportunity to consider what successful implementation of the continuous naval shipbuilding plan looks like, and identified some of the changes we need to make as a nation to truly harness the benefits it offers.

Today, I would like to share with you some more thoughts on this aspect, and outline what Navy is doing to ensure that it is best positioned to work with industry over the coming decades.

I won't go through the details of the continuous shipbuilding enterprise as set out in the Defence White Paper 2016 and the Naval Shipbuilding Plan other than to say what is described is daunting, and its management will require clarity of purpose and re-engineering the way we function.

It is clear to me that successfully achieving the continuous shipbuilding enterprise will require a careful and strategic approach to governance and management both from Navy and Industry.

We will need to work together to co-create an enterprise that has the capability, skills and capacity to deliver and sustain our future naval capability.

Navy and Industry will need to work together to find ways to continuously improve and evolve the process through which the naval enterprise creates a force that deters attacks by having available, sustainable and affordable lethality.

To ensure that Navy is best positioned to work with industry, we are reviewing our basic operating concepts, re-imagining the way that the Navy should view itself in the twenty-first century, re-examining our assumptions and, most importantly, re-engineering the way we operate.

As part of doing this we have done a lot of thinking and we have recently we published 'Navy's Operationalisation of the Naval Shipbuilding Plan' — it details how Navy is thinking it will harness the benefits of the continuous shipbuilding enterprise and also how it will more practically engage with and assist industry.

So how does Navy see it will engage and assist industry?

First, Navy will focus on its core business of being a capability manager. This includes eliminating complicated and unnecessary structures, processes, and systems; clearly articulating the accountabilities and responsibilities of those involved in the continuous shipbuilding enterprise; and developing personnel who are able to thrive in what is a complex environment and focused on achieving outcomes.

Second, Navy will develop the agility in its risk based decision making framework to support the large rate and wide range of decisions that will inevitably occur as continuous shipbuilding enterprise develops and matures.

Third, Navy will seek to take a leading role in ensuring that innovation initiatives provide the research and development funding necessary to enable the timely upgrade and update of naval platforms and systems to maintain a capable, lethal and agile Navy.

Fourth, Navy will identify and seek to better communicate the potential areas where industry can assist in the continuous improvement of Naval Capability and the efficiency of continuous shipbuilding.

Fifth, Navy will proactively establish the Navy to Navy relationships necessary for information and technology transfer early and be prepared to maintain them throughout the life of the capability.

And finally, Navy will actively work with Defence's Industry Division to ensure the ongoing 'parent navy' overhead associated with the export of Naval ships and systems is taken into account in any export strategies

Each of these steps are really a reflection of our desire to become a true partner with industry and in doing so better engage with, and assist industry, to realise the full benefits that the continuous shipbuilding enterprise can provide.

Each of these steps means that industry can have more confidence in partnering with Navy in the future continuous shipbuilding enterprise.

It also means that industry can have more confidence in investing in the future continuous shipbuilding enterprise. Investing not just for the next project but taking a programmatic, long-term view.

Investing in new buildings, manufacturing equipment and techniques without which a continuous shipbuilding enterprise will be unachievable.

Investing in the redesign of organisations and management systems to embed flexibility, adaptability and agility to support the numerous decisions that will be required to be made as the continuous shipbuilding enterprise develops and matures.

Investing in the workforce and allowing them to exercise their imaginations and initiative within the framework of clear strategic direction to develop new relationships, attitudes, behaviours, and approaches.

Investing in our universities, TAFEs and research organisations because they play an essential role in providing the professional and technical skills without which there is no industry.

Investing in the relationship with Navy —spending the time listening, sharing ideas and proactively working to ensure that we are delivering, to the best of our abilities, our mutual commitments.

It is through this investment that I believe that industry will truly harness the benefits of the continuous shipbuilding enterprise.

I would like to thank each and every one of you for taking the time to be here this week — whether it has been through showcasing our future maritime capabilities, considering what successful implementation of the continuous naval shipbuilding plan looks, discussing how navies can fight and win at sea through operational innovation, or exploring the different Blue Economy policies — your contribution has been invaluable. Thank you.

I would normally say at this point that I look forward to seeing you all again in a two years. However, I expect that I will be retired by then and the next Chief of Navy will be here in my place.

I have every expectation that the next Chief of Navy will only be too pleased to reflect on the advancements that we have made since 2017.

I also expect that the next Chief of Navy will continue to challenge us all to innovate and imagine new ways of doing business because it is only through shaking off any vestiges of comfort or complacency that our previous advantages may have afforded us that we can all harness the benefits of the continuous naval shipbuilding enterprise.

Thank you.