

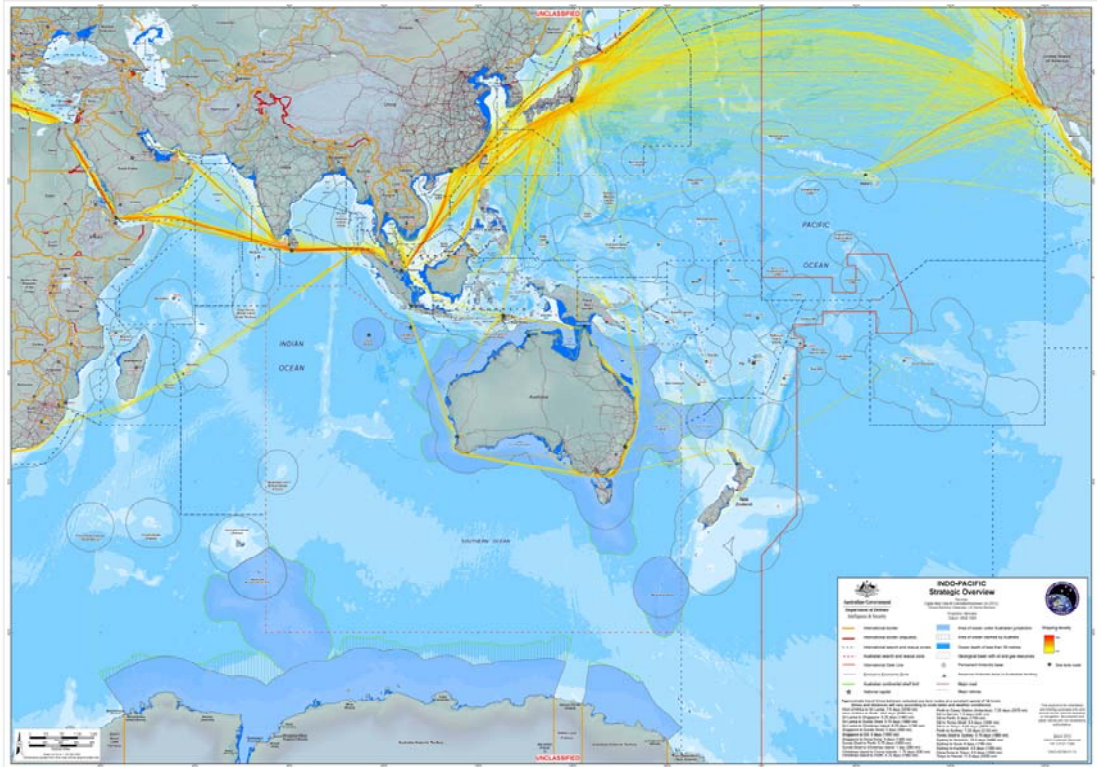
Port and Maritime Security Conference - 29 July 2013

Safeguarding Australia's Maritime Environment

VADM Ray Griggs – Chief of Navy

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- Thank you for the opportunity to be here today, to kick off this keynote session and to talk about the Navy and its role in safeguarding Australia's maritime environment.
- I would like to start by acknowledging the people of the Kulin nation, the traditional owners of the land on which we meet and the waters around which this city is built. Can I pay my respects to their elders both past and present.
- Having had a good look at the conference agenda I have tried to make this talk something of a strategic scene setter for the many different perspectives that will be put over the next couple of days.
- Firstly I am going to put this chart up for you to absorb yourselves in while I am talking.



- What this portrays is a system – at least the Indo-Pacific part, of the global maritime trading system.
- The shipping lanes in red and orange are, as you can see, quite prominent, obviously linking ports and clearly depicting the key strategic choke points.
- It also shows key maritime boundaries and key hydrographic features, which gives you a sense of the maritime terrain; a terrain infinitely more complex than the traditional one shade of blue for the ocean that is represented on maps – a simplification which I think shapes a misconception around the complexity of maritime terrain.

- It is a system that no one owns but most benefit from. It is a system that can only work effectively if there is a strong and determined cooperative and collaborative effort to keep it functioning.
- Safeguarding Australia's maritime environment is then a discrete task of particular interest to us here but a task that cannot be considered in isolation from the broader system. That holds true from the physical security of ships coming to and from our shores through to the environmental impact of maritime pests brought in in ballast water or hanging off the hull of a ship.
- The Navy's role in safeguarding Australia's maritime environment, is wide ranging but it is only a part of a national effort which employs all elements of national power that we need to use to achieve our national security objectives.
- Our national anthem says we are girt by sea. An indisputable geographical fact for an island continent. Why is it then that at times many of us with a maritime interest feel that it is really girt by beach?
- The public consciousness of the importance of the maritime domain isn't really there. What happens beyond the sight of the

beach is something of a mystery to most people and rarely bubbles through to daily discussion.

- The same is true to a large extent with our strategic discourse – our maritime context should shape this discourse in a far more significant way than it does.
- I would contend it used to of course. If we cast our mind back to 1902 and I quote not an Admiral but a General, Major General Edward Hutton, our first Chief of Army or as he was known Commandant of the Military Forces of the Commonwealth, he said:
 - ‘The defence of Australia cannot, moreover, be considered apart from the defence of Australian interests. Australia depends for its commercial success and its future development firstly upon its seaborne trade and secondly upon the existence, maintenance, and extension of fixed and certain markets for its produce outside Australian waters. It therefore follows that Australian interests cannot be assured by the defence alone of Australian soil.’
- Now I suspect that to most here that is a statement of the bleeding obvious. My point is that to many that inextricable

linkage between the sea, our security and prosperity is not obvious.

- The Governments of that post federation era agreed with the general view expressed by Hutton, the first Chief of Navy, Vice Admiral Sir William Creswell and others and, in 1909, the Government decided to purchase its own modern fleet of ships, in essence it was a decision to buy a Navy, the first major purchase of the Commonwealth Government.
- The majority of that Fleet sailed into Sydney on 4 October 1913. A truly significant day for the nation, the centenary of which we will proudly celebrate this October.
- At the heart of the concerns in that early post Federation era was the threat of disruption of trade and communications. Disruption of the lifeline that was and still is, crucial to Australia's prosperity. It was in short, concern about us being able to protect our ability to trade.
- Until recently, I would contend, that point in time was probably the high water mark of strategic maritime awareness. But, a series of conflicts followed that led the national consciousness, for very

understandable reasons, down a different path. People became more concerned with what happened ashore than at sea.

- As a result we have allowed our strategic discourse to become very land-centric. It is always critical for me to stress that I do not use this term land-centric in a pejorative way. But the continentalist and expeditionary schools, which have dominated our strategic thought, remain fundamentally land centric and do not pay enough heed to our maritime context.
- Australia, as Michael Wesley said last year, needs a well-developed maritime imagination. His implication is clear; we don't have one!
- So, is a strategic discourse that underplays the maritime context a problem? If it is, why? I think these are good questions.
- I would maintain that we are now more dependent on the maritime domain for our prosperity and for our security than at any time in our past and for me that is why it's a problem.
- We in Navy have been working to reinforce the notion of the need to develop a robust maritime school of thought as the intellectual underpinning for our strategic discourse going forward. We have

hosted a series of workshops across Government, Academia and industry in an effort to get this conversation moving.

- This school of thought should of course be relevant to Australia should have an appreciation of our geographic, economic and diplomatic situation;
- It should include an appreciation of our interests, relative strengths and weaknesses; and it must be framed by a clear statement of our national aims and the manner in which we wish to pursue them.
- There are a number of things that a maritime school of thought must recognise. First, it must recognise the sheer scale of our sovereignty and the area where we can exercise sovereign rights (the two of course are quite different).
 - Our sovereign maritime zones cover around 1.5 times the size of our continental landmass, that's around 12.65 million square kilometres of water;
 - Our Search and Rescue area covers around 11% of the world's surface;

- It must recognise the increased pervasiveness of maritime trade and our national dependence on it for our ongoing prosperity.
 - 98% of our trade by volume moves by sea, yet we have no significant domestic merchant marine to speak of;
 - 70% of the output of our key bulk commodities (coal and wheat for example) are exported;
- It must recognise the increased value of activity in our maritime environment, be it offshore oil and gas installations, alternative energy generation or the value of maritime biodiversity reflected in both tourism and food security, particularly the value of farmed and wild fish stocks.
 - An example of that increased value is that maritime related economic activity in the NW of Australia contributes to around 4.5% of our GDP.
- It must also recognise that our terms of trade play a significant role in the growth of our real gross national income.
 - Our exports make up 21% of GDP (up from 15% in the mid-80s);

- But, it must also recognise the fundamental vulnerabilities that our geo-strategic situation exposes us to in such a highly interconnected and just in time economic system.
 - 40% of our two way trade goes is between just three countries (China, Japan and South Korea) and most of it travels through waterways where sovereignty is disputed;
 - A recent NRMA study reported that Australia's net import holdings for liquid fuels has dropped from a stockpile measured at 310 days in 2002 to 71 days in 2012;
 - And this 71 day net import figure is estimated to equate to only 23 days of actual consumption;
 - Another vulnerability is that there are about half a dozen key submarine cables which carry our connectedness to the rest of the world; and
 - About 78% of our crude oil and 92% of our natural gas reserves are concentrated in the north west of the country.
- This school of thought must recognise the importance of collaboration and cooperation in keeping the global commons and our global maritime trading system free and open.

- No single maritime focused force can achieve this mission; there must be cooperative arrangements and contributions across the whole system. And of course this mission cannot be achieved solely with the military instrument of power as the Australia in the Asian Century White Paper reinforces.
- What does this mean from a maritime perspective? I think the first thing to recognise is that our strategic economic centre of gravity is not the resources in and on the land, nor the manufacturing capacity of our industry. In my view it has always been our ability to trade, the importance of getting imports in – most obviously in a strategic sense fuel – and critically, exports out.
- That gives the ADF a central role in a crucial national mission that most of us here are also engaged in in some shape or form – the protection of our ability to trade - the very thing that underpins our national prosperity.
- This is of course a whole of Government task, it is a mission that starts at home with port and critical infrastructure defence but equally involves key choke points and shipping lanes throughout the end to end global maritime trading system.

- And taken together, I think this explains why Australia's fundamental Defence strategy must be a maritime strategy.
- It means the hydrographic survey of ports and trade routes to ensure safe navigation is important – a national task Navy takes very seriously.
- It means the protection of critical offshore infrastructure, which in the future may exist up to 350nm from our shores – that is about 650kms, or as far away as Canberra is from us today.
- It means the protection of our offshore fisheries.
- And we have to consider the protection of our offshore island territories, which are no less sovereign territory than the continent.
- Militarily it means we need an Australian Defence Force that has both reach and endurance if we are to properly play our part in this cooperative and collaborative task often far from our shores be that in peacetime or in combat operations.
- It is crucial for example that we have frigates and submarines that can be operated and sustained where they need to operate in this system, that we have reconnaissance assets that can do likewise,

and that we have the ability to deploy and sustain credible and potent land forces to support the broader national objectives.

- So how do we go about protecting our ability to trade and in turn our national prosperity?
- First we need to start at the national level. Australia plays a key role in ensuring that there is a functioning rules-based global order. There are a range of international conventions such as UN Convention on the Law of the Sea, Safety of Life at Sea Convention, International Search and Rescue Convention among others that lay down the ground rules for how we operate at sea.
- The Law of the Sea Convention and all its attendant mechanisms in particular underpins good order at sea which is essential for the conduct of free and safe functioning of our global maritime trading system. Working towards the ongoing effective functioning of these conventions is a fundamental security issue for the Indo-Pacific region.
- For Navy there is a strong military diplomatic contribution in all of this. There is one thing that binds navies across the world and that is that we are all first and foremost mariners. Few here would doubt the importance of what I have just said.

- I have seen it work in our collective favour so often because of that innate understanding that mariners bring to the resolution of an issue. The existence of fora such as the Western Pacific Naval Symposium (WPNS) and the Indian Ocean Naval Symposium (IONS) are important examples of the multi-lateral naval engagement that takes place continuously.
- These fora have brought navies together not only for discussion but also at sea through a range of seagoing exercises. The ASEAN Defence Ministers Meeting Plus, Expert Working Group on Maritime Security will hold its first exercise off Jervis Bay around the time of the International Fleet Review. This will bring many navies together to practice cooperative activities for the benefit of all. It will help to build habits of cooperation, which builds the chance of good security outcomes in our region.
- These types of activities allow us to develop levels of interoperability and build trust, transparency and understanding that would otherwise not be possible. This can directly translate into real world action that helps preserve our ability to trade.
- The collective effort of a range of countries engaged in the counter piracy mission off Somalia is a case in point. As you may

know there is no single counter piracy force or organisation. The contribution is made up of multiple groupings be they the United States-led Combined Maritime Force, the NATO and European Union task groups or the independent deployers (such as China, Russia and India).

- This very loose collection had the real potential to make for an uncoordinated mess. Instead the Shared Awareness and Deconfliction (SHADE) process was developed and has helped to coordinate the efforts of the nearly 30 navies involved and importantly involved key maritime industry members. These coordinated activities have had enormous impact on the safe passage of goods along a critical waterway.
- The Somalia issue also helps to illustrate the fallacy of the 'defend the moat' strategic thinkers. Few would fail to understand the importance of the shipping that passes through the Horn of Africa or the Straits of Hormuz to us or our key trading partners.
- If our naval force structure was based around defending the moat, it would mean that we were not contributing to this collective challenge. Thankfully we are structured to do this, to play our part

as we are with the frigate HMAS *Newcastle*, our 55th individual ship deployment to the Middle East since 1990.

- Closer to home of course we are heavily involved in border protection operations. It is not a mono-dimensional activity. Navy despite what is sometimes reported, regularly patrols, both independently and through our daily contribution to Border Protection Command areas of critical offshore infrastructure in our NW and still contributes through its Border Protection Command effort to all the maritime threats that we face. It is of course obvious that countering people smuggling is the major activity at present.
- Border Protection operations are a significant commitment for the Navy, around 20% of the Fleet are committed to operations each day. I think this is a mission that our largely young men and women are doing fantastically well. They are making difficult decisions and carrying out hazardous activities in this relentless and gruelling operation under enormous public scrutiny.
- They, with their, Customs and Border Protection Service counterparts, with whom they work alongside so well, are deserving of our thanks and our pride. I am incredibly proud of

what they do. There are others who may have less physically demanding roles in this who also deserve recognition, the teams at the Rescue Coordination Centre in Canberra, the Immigration officials and AFP officers on Christmas Island – they play a vital role and I wish to acknowledge what they do.

- With all these aspects to deal with, Navy remains focused above all on the task that only it can do in safeguarding the Australian maritime environment. That of course is providing combat power at sea. We can never afford to be distracted from that ultimate task, that is why our organisational mission remains to fight and win at sea. It could be a mission that caveat or fluff up to include a range of other things but in my mind everything must flow back to this. Everyone who wears this uniform must know why and understand what is ultimately expected of them. As we move into a very exciting time of recapitalisation of our fleet, our mission is not something we will lose sight of.
- Hopefully this has given you some food for thought and provided a useful perspective on the issue of safeguarding Australia's maritime environment.

- If you take one thing away from this session I hope that it is the need for a much stronger public discourse about our maritime context and the maritime nature of our geo-strategic realities and how they affect both our prosperity and security. I would invite you to be one of the voices in that discourse. If we can protect our ability to trade and have a functioning global maritime trading system we can maintain our prosperity and safeguard our maritime environment. That is a national effort where we in Navy are playing our part each and every day.
- I regret that other commitments mean I have to rush off pretty much straight away, if the conference organisers are so inclined I am happy to take a couple of questions in the remaining time I have.