

ASPI White Ensign Dinner 2014

Address by Vice Admiral Ray Griggs, AO, CSC, RAN

Chief of Navy

The Royal Australian Navy in 2014

Good Evening Ladies and Gentlemen. I would like to thank ASPI and Lockheed Martin for hosting this annual dinner and for their ongoing support of it.

As I'm sure you're aware this will be my last as Chief of Navy. I'm in the last few weeks of my tenure, but it is a great opportunity for me to have one last opportunity to talk about your Navy. The temptation to look back over the last three years and compare our position today is in many respects quite overpowering. I will do a little of that but I really want to talk about where we are today and where we are headed. In doing that I want to focus on three areas, our operations, our culture and capability.

I would though like to start by acknowledging the Ngunawaal people, the traditional owners of the land upon which we meet and pay my respects to their elders past and present. I would also like to acknowledge the contribution of indigenous Australians to the RAN in over a century of service.

If I was to give you the bottom line up front I feel that Navy has made real and tangible progress over the last three years. We have faced significant challenges and our people have continued to do what they do best – their jobs – and in so doing have shown our citizens why we exist and what benefit we bring.

The operational tempo of our small force has been frenetic. Our Middle East Commitment, which started in 1990, has continued almost unbroken and we now have our 57th individual ship deployment to the region in the form of HMAS *Darwin*. You will have seen the massive impact that *Darwin* and her predecessor *Melbourne* have had, with the interception of over six and half tonnes of narcotics worth around \$1.5 billion. This is of course but one aspect of the work our people do up there.

Our commitment to border protection operations remains our principal operation with around 20% of our ships assigned to this mission every day. I would like to again publically acknowledge the performance of our people on border protection operations over the last three years. Their work has been subject to intense public scrutiny and frankly at times, outright abuse and vilification. Nevertheless our people have stayed the course, kept their heads down and continued to safely execute the lawful direction of the Government of the day. I am exceptionally proud of the way they have conducted themselves and the compassion and dignity they have shown in undertaking this difficult and important task.

Over the last 12 months we have had other operational commitments: *Choules* in PNG in Operation LANDSCAPE; *Tobruk* in PNG for PACIFIC PARTNERSHIP and the Philippines following the Super Typhoon HAIYAN; and *Success*, *Toowoomba*, *Perth*, *Ocean Shield* and *Seahorse Standard* in the Indian Ocean in the search for MH 370. You will notice two ships in that list, *Tobruk* and *Success*, which have played important roles that not long ago few would have thought possible – they typify what we have achieved these last few years.

Our submarines have had a very busy 12 months – their busiest operating year for the best part of a decade. This included deployments to Asia in support of FPDA exercise commitments and to Japan for the multi-national submarine rescue Exercise PACIFIC REACH. As we speak *Sheean* is making her way to

Hawaii for Exercise RIMPAC. It has been good to see this recovery but, as I have consistently said, it remains fragile until we get the 10+2 maintenance cycle embedded. Notwithstanding, the uniformed, APS and contractor personnel involved in the submarine enterprise deserve the accolades John Coles gave them in his phase 4 report.

It has been 12 months of ongoing and sadly building tension in East and South East Asian waters. I was in the region for a couple of weeks last month and you can't help but feel the very real sense of concern that a number of countries have. The language has shifted from simply talking about Chinese assertiveness in the maritime domain to a more uncompromising and coercive actions. I think these concerns were certainly borne out at the Shangri-la dialogue recently. As you are all aware, the South China Sea in particular remains a crucial area of interest for us with around 40% of our two-way trade needing to safely pass through these disputed areas.

We have also seen the PLA-Navy operating further afield, not only for MH 370 search, but with the transit of one of their Task Groups south of Java earlier this year. And we have seen the Indian Navy exercise further east in the Indian Ocean than we have for some time. There is nothing wrong with either of these developments, both India and China are significant maritime powers and there is nothing of concern in these deployments; in fact, they are simply starting to deploy in the manner of other maritime powers, Australia included. What these deployments do signify is that the waters nearer Australia are becoming more active than in recent years. This has put the spotlight on the maritime domain and helped us get some traction on the maritime school of thought concept and the notion that protecting our ability to trade and vital energy flows is such a crucial national task.

With the increased level of tension in the region around the South China Sea there is even more need for navies to play to their collaborative and

cooperative strengths and play their part in reducing tensions. The 14th Western Pacific Naval Symposium (WPNS) was held in Qingdao, China, in April. It was certainly the PLA-Navy's first major multi national military event and the effort that was put into the planning was evident. After nearly 20 years of debate, the Code for Unplanned Encounters at Sea (CUES) was agreed and implementation has commenced across the WPNS member navies. We implemented the code almost immediately as we see the critical importance of being able to communicate effectively and operate safely when unplanned encounters occur. Regrettably CUES only includes warships and at present does not cover other Government vessels. This is something that we need to work towards, as I suspect the code would have been very useful in the recent confrontation between Chinese and Vietnamese coast guard and Government vessels. But we should not under-estimate the importance of achieving the milestone that we have with CUES.

The next task, in my capacity as Chair of the Indian Ocean Naval Symposium, is to guide CUES through the IONS process so we have a common code across the navies of the Indo-Pacific.

In a few weeks we will see the PLA Navy participate in its first Rim of the Pacific exercise – this, following on the back of the recent MH 370 deployment, can only be a good thing. The more interaction and understanding we have between navies the more we can do our part in helping to reduce tension. There are other ways of reducing tensions of course – using established regional security architectures and international dispute resolution mechanisms are good examples – agreeing a code of conduct is another. This has to be the way forward given the stakes that are in play.

While I continue to watch our operational performance and the strategic developments in the maritime domain very closely, the bulk of my tenure has been focussed on the grinding nature of Raising, Training and Sustaining the Navy. It is only through an intense focus on this foundational work that the successes I have talked about happen and that we can be properly prepared for any challenges that lie ahead – we are all acutely aware of what it means when you get this wrong.

I was fortunate to have both the Rizzo and Coles reports delivered in the first six months in the job (first six weeks in the case of Rizzo). They gave me a clear view of the issues and more than enough impetus for the organisation to embrace change.

As I said to you last year, the scale of the change and the enormity of the task are still, I fear, lost on some. It has not simply been about amphibious ships and submarines or about naval engineering. It has gone to the very essence of the management of our capability, of technical integrity and of actually managing rather than admiring, calculating or reporting risk. The conversations we have each day are fundamentally different to those that were happening 3 years ago. The level of integration between the strategic headquarters, the DMO and Fleet Command is greater than at any time in its history. Frankly it should have always been thus but it was not.

The more difficult task though will be for my successors, who will have to maintain the momentum of the Rizzo and Coles Reforms and their related initiatives over the long term. I have confidence they will because all of us can see the utility of the path that has been lit.

Our cultural change program, New Generation Navy, is another important facet to my raise, train and sustain responsibilities. It's often not talked of in that sense but it is absolutely connected to the management and delivery of

capability. Nearly all of what you might classify as 'cultural indicators' are heading in the right direction. In its sixth year now NGN has become entrenched in Navy and it is the mechanism that we are using to deliver the broader Pathway to Change program. We continue to evolve NGN to ensure that we are capturing all elements of our culture including warfighting, seaworthiness and importantly developing a more sophisticated approach to accountability.

Navy is working extremely hard on a daily basis to ensure that we develop a more diverse workforce. Our future as a capable Navy firmly lies in an organisation that truly represents the demographic makeup of our society, for without that it is exceptionally difficult to have the full support of the Navy *as part of society*.

I spoke last year about new positions for strategic Indigenous and Islamic advisers who work to me in addition to our Navy Women's advisor. I have since added an LGBTI adviser and we now meet together to discuss our common goals and challenges. The appointment of these Advisors has allowed me to cut through internal bureaucracy and to make important changes with regards to the attraction, recruitment and retention of a much more diverse workforce. Investment in new advertising strategies including social media outreach, dedicated women's recruitment teams and the introduction of Islamic head dress in our uniform code are examples of initiatives which I hope will support our recruitment targets.

We are now the largest organisation in Australia to be an accredited White Ribbon workplace, acknowledging the work we have done to ensure our people understand the importance of eradicating violence against women. This is something I am immensely proud of, because of the cultural effect on our men and the message it sends to serving women and those thinking about joining.

And the formation of the wonderful Navy Indigenous Performance Group has changed the way many of our Indigenous sailors feel about the organisation.

All too often though the public discourse around Defence involves the re-telling the same story of what happened in the past, things that appalled us as much as you, things we never want to see happen again, things we are making a concerted effort to fix. Like the other members of the ADF senior leadership I have spent many hours with victims of abuse and sexual violence.

Their stories are shocking and confronting. No one serving their country should have to endure what they and too many others have endured.

We are actively participating in the Restorative Engagement Program under the DART, to help the victims of abuse but also to ensure that senior leaders in Navy engage at a personal and emotional level – so that they walk away from these interactions vowing to do their best to ensure this doesn't happen again. It is a powerful experience. This, combined with White Ribbon and other education programs, is I believe putting in place prevention strategies which will pursue both normative change and reduce the incidences of unacceptable behaviour.

But this gets pitifully little coverage; I could not find a single story in mainstream media about the White Ribbon accreditation for example. Nor does the deep commitment of the leadership to make change stick and the many examples of real change that we are seeing taking place. This saps the morale of those who are working tirelessly to improve the ADF, it continues to present a skewed view of the organisation and worst of all it leads some to fall into a defensive and potentially defeatist mindset at the very time when frankly we should all be supporting and encouraging the very real and positive changes that are occurring so they become embedded and entrenched.

We remain an imperfect organisation. We will continue to have incidents occur and to pretend otherwise is quite naive. But what we do not have now is a Navy or an ADF that ignores what in the past was sometimes ignored. That message is hitting home to our people and, just as importantly, if not more so, it is hitting home to supervisors and leaders that if they do not fulfil their responsibilities for those under their care, they will be held to account in no uncertain manner.

Again, the key to this is sustained and determined leadership focus and attention and the new ADF command team will be just as committed as the current one has been. I did need to dwell on that tonight because getting cultural change right is crucial to our future.

I will now turn to capability issues as there is a significant amount happening both in terms of current and future capability. I won't cover all of our capability issues due to time but I am happy to take questions on those areas I miss. I have already talked about submarines so I won't labour that topic – what I said last year on the subject remains valid.

A very good news story has been the *Anzac* Class Anti-Ship Missile Defence upgrade. The performance of HMAS *Perth* on the range off Hawaii last year was a significant vindication of nearly a decade of work on this project. The system's performance against the supersonic missile threat was most impressive. It has led to significant confidence in the home grown CEA/SAAB system combination and it is rightly now being considered as a central element in the thinking about the future frigate.

Another good news story is the introduction into service of the Seahawk Romeo helicopters. The return of dipping sonars is a very significant addition for our ASW capability. We have four aircraft delivered so far to the newly

reformed 725 Squadron, which are operating in Jacksonville, Florida for now, and will return to Australia early next year. The squadron flew our first dipping sonar sortie for nearly two decades last month, no doubt the first of many. And although our submariners will not enjoy the experience, this capability will make them better too.

Our FFG7s will need to be extended a little further with the delays to the Hobart class DDG program. This will of course incur additional costs and will mean we will need to manage both the aging platforms and the workforce transition very carefully.

The *Armidale* class patrol boats continue to present challenges as they hit middle age. These issues are well documented and the reasons for them complex. I think we have seen far too much simplification of the causes of the lack of *Armidale* availability. It remains a combination of factors including design issues, the material involved (aluminium), the way we have operated them (the way we have driven them), the operational profile and poor maintenance performance. We continue to work hard on remediation and importantly we continue to provide Government with what it needs in terms of border protection assets.

As the ultimate customer of the *Hobart* class DDG I welcome the announcement of changes to the build program made by Ministers Johnston and Cormann last week. Like others I see that we are at a critical crossroad and acknowledge the importance of the rapid improvement in this program as a very important indicator for the future of other programs such as the future frigate.

I will pick my way through the shipbuilding issue with care and stay in my lane as much as possible but it is good that the shipbuilding debate is getting serious national level attention and traction. We have for too long suffered from the

stop start nature of Australian shipbuilding projects, re-learning the lessons and paying the price in terms of both schedule and cost. This is not a reflection on our domestic shipbuilding workforce – the *Anzac* program showed that we have a workforce that can build to international benchmarks. It is more a reflection of the nature of the shipbuilding enterprise in Australia.

From my perspective, there are only two positions you want to be in the major combatant shipbuilding spectrum: either all in with a continuous build program where the economic benefits and learning curve effect can be exhibited as skills are developed and enhanced over time; or take the approach we have with military aviation acquisition and buy offshore.

We are, and have been, in the worst of both worlds, sitting in the middle with the stop/start approach. Where we sit on that spectrum is rightly a decision for Government. I very much hope that we do have a strong and capable frigate and destroyer building industry in Australia going forward, but, the marker has been laid down and it is now in industry's hands as to what the outcome is.

As we talk of future capabilities I continue to beat the drum about cross fleet commonality. In our fleet we have 14 warship classes and 52 vessels. Over those 14 classes, we've used 13 different ship designers, we have 13 main engine manufacturers, 11 different radar manufacturers and 14 different platform control and monitoring systems.

This of course all comes at a cost, to the complexity and size of our spares inventory, to our training bill, to the lack of flexibility to move people around the fleet because their training is specialised, to understanding the different design intents and to the cost of industry support. If you ran a small hire car fleet with this sort of overhead you would be tearing your hair out – if you weren't broke – yet commonality too often takes a back seat to upfront acquisition costs.

In my view, this really needs to change. We need to get better at understanding the balance of benefits. Is it better to accept a higher acquisition cost in the interest of commonality? When does a cheaper purchase really free more resources – in both the short and long term – than the additional running costs that the different platforms will involve? And we need to understand better just where the costs lie.

For example, another aspect of the lack of commonality is the impact on domestic industry depth. Fewer systems should lead to using the available talent pool in a better way. A few months ago one of our ships had to sail with a communications centre that was not fully operational. As I became aware, there are only three contractors – three individuals in the country, who could work on the system. Two were overseas on Christmas leave and the one who remained behind had gone bush and was out of mobile phone range. I would posit that with greater cross fleet commonality the likelihood of this occurring would be reduced.

Ladies and Gentlemen, as always, thank you for your attention. It has been a singular honour to serve as the professional head of the Royal Australian Navy as it has been to work with my fellow service chiefs and the other members of the senior leadership of the ADF, in particular David Hurley and Mark Binskin, in such a collegiate way on the important work that we do. I have done my utmost to be a good steward for the great national institution that is the Navy, but it is not about me. It is about the Navy itself and its wonderful fighting sailors who animate it and give it life. Without them we simply would have a Navy without a soul and one that could not fight and win at sea. It is to them I offer my particular thanks for their support and inspiration.