

Chief of Navy Address to the Maritime Environment Working Group

Navy's Operationalisation of the Naval Shipbuilding Plan

Canberra

5 December 2017

Distinguished Guests, Ladies and Gentleman, Good Morning

Over the past few years we have seen the release of the Defence White Paper 2016 and the Naval Shipbuilding Plan, and a number of other announcements about what Australia's Naval shipbuilding enterprise will look like in the years to come.

What is described is potentially daunting, high-risk, and its management will require clarity of purpose and re-engineering the way we function.

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.

As you would expect I will approach this topic from the view of the Chief of Navy who has a vested interest in maximising the efficient, effective and professional delivery of naval capability and delivering to Navy a winning combat and capability edge.

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.

The future naval shipbuilding enterprise industry will require industry to invest and not just for the next project but with a long-term, programmatic view. Industry will need to have a 70 year horizon.

Just as government is providing certainty and demonstrating its commitment through its investments in Osborne and Henderson Shipyards and the Shipbuilding College, Industry will need to invest in new buildings, manufacturing equipment and techniques without which a continuous shipbuilding enterprise will be unachievable.

Industry will need to invest in the redesign of their 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.

There needs to be investment in the workforce and allow each and every individual to exercise their imaginations and initiative within the framework of clear strategic direction to develop new relationships, attitudes, behaviours, and approaches.

Invest 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.

And finally industry must invest 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.

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 do I see that Navy 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 and investing in the future continuous shipbuilding enterprise.

Today's Maritime Environment Working Group meeting is a great opportunity for Navy and Industry to hear from each other about how we can more practically work together, and to better understand each other's views on maritime capability.

I hope that today's meeting is an intellectually honest exploration of the advantages and challenges that Navy and

Industry have in relation to the future naval shipbuilding enterprise.

Having made these comments I would now like to open the floor for questions or comments. In particular I would welcome the opportunity to hear from industry representatives here today on the steps they are taking to realise the full benefits of the continuous shipbuilding enterprise.