

## **Chief of Navy Address at Navy Week Seminar – Victoria**

‘The Future Navy: A national enterprise’

21 October 2017

Melbourne, Victoria

Good Afternoon – It is a pleasure to be here today.

Let me start by acknowledging the traditional owners of the land upon which we meet and pay my respects to their elders past and present.

Let me also thank the Naval Commemoration Committee of Victoria for hosting this Seminar.

It is a pleasure to be here.

Today’s seminar theme is the changing military environment in Far East Asia and I have been asked to speak about the government’s naval defence initiatives in that context.

However before doing so, I would like to put into context Australia’s strategic interest in this region.

Australia has one of the largest maritime domains in the world, and it faces three oceans — the Indian, the Pacific and Southern — with a coastline of more than 32,000 nautical miles — and yet a population of only 25 million.

Ten per cent of the world's sea trade passes through Australian ports.

Australia relies on the sea for 98 per cent of our exports—and for a substantial proportion of our domestic freight. About 95% of our data is transmitted through undersea cable.

Our \$1.6 trillion economy is dependent on shipping being able to freely navigate the oceans and conduct maritime trade, especially through the massive economic trading artery that runs from the Middle East, across the Indian Ocean, through the South China Sea, past Japan and on to North America.

I predict that in the future Australia will only become more reliant on the oceans. Especially those in our region. Not only as the highways of the globalised world economy, but also for food and other natural resources.

As a result of decades of peace our region has grown dramatically and there has been a shift in strategic weight to the Indo-Pacific region. I have every expectation that it will continue to gather pace.

By 2025, it is expected that almost half of the world's output, and four out of the ten largest economies in the world, will come from our region.

We will be the world's largest producer of goods, but it will also be the largest consumer of them.

And of the top five defence spenders in the world, four of them — the United States, China, Russia and India — are, and will increasingly be, active in our region.

As a result, many of the global challenges will increasingly be played out in our region especially in the maritime domain.

We know that the traditional challenges like state-on-state coercion and competition are on the rise. Whether it be from the increasingly aggressive actions taken by some nations to assert their claims over disputed maritime boundaries or the unprecedented missile and nuclear weapons testing being conducted by North Korea, there is the increased possibility for miscalculation which could result in armed confrontations at sea.

At the same time, non-traditional threats are making their presence felt in profound ways.

We are experiencing challenges to our border security whether they be from co-ordinated illegal fishing enterprises, or from international criminal syndicates seeking to smuggle illegal migrants or illicit substances into Australia. These activities are on the increase.

There is also growing concern among many regional nations about environmental changes; be it an increasing trend in severe weather patterns or rising sea levels.

Both of these threaten stability by changing the availability of natural resources on the seabed, in the subsoil, or in the water column, or through the displacement of affected populations. In the future our issues with migration will not be restricted to those escaping conflict.

And maritime terrorism is on the rise. Whether it is from small groups of extremists in south-east Asia who board ships and seize sailors for ransom through to attacks launched from the sea on naval and other port facilities, maritime terrorism threatens the ability to safely use the sea in our region.

Indeed, my current concerns range from activity in the Sulu Sea to actions off the Yemeni coast where our frigates continue to operate as part of the Combined Maritime Force.

And we will face these challenges in a faster-paced environment, and a more complex environment.

Advanced intelligence, surveillance and reconnaissance systems will become more prevalent, ultimately reducing the effectiveness of stealth capabilities.

We will face increased offensive cyber and space-based challenges which may be able to disable or degrade our infrastructure and operational networks.

The region will see more autonomous systems, such as unmanned combat vehicles, in operation in the sub-surface, surface, land and air environments.

Over the next two decades, other technological advances such as quantum computing, innovative manufacturing, hypersonics, and directed energy weapons are likely to lead to the introduction of new weapons and systems into our region.

I also think that there has never before been a time when threats distant from our shores whether they be from the sea, land or the air, can so quickly affect our direct interests.

As a result of these changes and uncertainties, Australia will need to be able to bring together a balanced, connected and integrated force that combines different land, air, sea, intelligence, electronic warfare, cyber and space capabilities so that we can apply more force, more rapidly and more effectively when called on to do so.

That is — we need a balanced, connected and integrated force that can deliver lethality when required.

Fundamentally, this is why the government has taken steps to rebuild and expand the Navy through a continuous shipbuilding enterprise.

Through the Defence White Paper 2016, a series of government announcements, and the Naval Shipbuilding Plan, the government has committed to three distinct lines of investment in this continuous shipbuilding enterprise totalling around \$90 billion. These are:

- the investment in the rolling acquisition of new submarines, and the continuous build of future frigates and minor naval vessels;
- the investment in modern shipyard infrastructure, across the two construction shipyards in South Australia and Western Australia; and
- the investment in naval shipbuilding workforce growth and skilling initiatives; together with new generation technology and innovation hubs.

As a consequence of these decisions, the government announced that Naval Group will be our international partner to design the 12 Future Submarines.

Already, we have formal government-to-government agreements in place; a functioning design centre has been built in Cherbourg, France and the Australian project team is being established there.

Meanwhile, the construction site in Osbourne, South Australia is being secured and yard design is in progress. The project is meeting its milestones.

Navy's two new tankers have been selected and work will soon commence on their construction — the first ship is expected to be delivered in 2019 and the second in 2020.

Much work has been done on progressing the acquisition of 12 new Offshore Patrol Vessels.

These vessels will provide us with an advanced capability to undertake constabulary missions and be the primary ADF asset for maritime patrol and response duties.

Construction of the first two vessels will begin in 2018.

We have also made significant progress on the acquisition of nine Future Frigates. These frigates will be able to conduct a range of missions, with a particular focus on anti-submarine warfare, and will incorporate the Australian-developed CEA Phased-Array Radar. We are on schedule to commence construction in 2020.

All of the Seahawk Romeo Helicopters have entered service and are undertaking operations, deployed in ships in the region and beyond.

Both LHDs HMA Ships *Adelaide* and *Canberra* have been commissioned and are already proving their utility and versatility with participation in major exercises and deployments this year.

And just a few weeks ago we commissioned HMAS *Hobart* - one of the most sophisticated warships ever to be operated by the RAN. She is Aegis fitted, the first in her class with two more to follow and the first destroyer for the RAN since HMAS *Brisbane* was decommissioned 16 years ago.

The delivery of such new capability has allowed the RAN to return to its practice of complex Task Group operations with a wide range of capabilities from high-end warfighting to Humanitarian Assistance and Disaster Relief.

This practice offers strategic utility to government by delivering the agility and responsiveness that is at the heart of our approach to addressing the ever-growing set of threat scenarios I outlined earlier.

This year we successfully completed Talisman Sabre 2017 — it provided us with invaluable task group operational experience and improved our training, readiness and interoperability.

And as we speak the *Indo-Pacific Endeavour 2017* Task Group is deployed in South East Asia to conduct a number of engagements with regional partners. This has already included Timor Leste, the Philippines, Indonesia and Singapore. Later we will operate with Malaysia, Japan and Korea.

This deployment will demonstrate the ADF's Humanitarian and Disaster Relief regional response capability as well as further supporting security and stability in Australia's near region through bilateral and multilateral engagement, training and capacity building.

Whilst this is not the first such deployment by the RAN in South East Asia it will be the largest coordinated Task Group operation since the early 1980s. And these deployments will become a regular part of the ADFs ongoing commitment to regional security.

But having all these new platforms and a renewed focus on deploying self-supporting and sustainable maritime task groups will not be sufficient if the Navy, as part of the ADF, is to be able to address the ever-growing set of threat scenarios in our region.

There must be a fundamental shift in thinking about what the Navy actually is, where it fits in to our national architecture, and how it relates to the national economic infrastructure.

As one of my predecessors, Admiral Sir Louis Hamilton, wrote:

*A navy does not drop from the clouds. It is a miraculous and delicate instrument, a creation of nerves as well as steel, united with blood as well as rivets, it is in many ways the greatest expression of a nation's genius.*

In other words we — and by 'we' I mean the Nation — must recognise that the Navy is truly a national enterprise.

An enterprise that is intrinsic to our national capability, intimately connected to the social, economic, industrial and educational drivers of national well-being. Not just something you bring out in times of trouble.

We must truly understand how the Navy achieves its fundamental purpose as I alluded to earlier — deterrence.

The Navy can only achieve deterrence if it is able to deploy decisive lethality to sanction anyone who might wish to use armed force against Australia or its interests.

Fear of the consequences of that lethality is what deters an armed attack — deterrence is a consequence of lethality and the ultimate output of the Navy.

To maintain deterrence, and to inflict lethality when needed, you must maximize availability for training in peacetime and operations in conflict.

And to have sufficient available systems they must be operated and maintained in a sustainable and affordable manner.

This is what I call my Deterrence – Lethality – Availability – Sustainability – Affordability mantra.

It has guided my discussions with my navy and defence colleagues, government, and industry representatives over the past few years about how we are going to generate and use maritime forces now and into the future.

For me, this means that we need to look beyond the constraints imposed by our traditional way of generating and using maritime forces.

This is especially the case because we can no longer rely only on our ability to retain and acquire advanced systems given the rising costs of technology and increasing demands on the national treasury.

It means we must innovate and embrace new ways of doing things, of integrating invention into the way we conceive, design and deliver the systems and platforms that are needed by the Navy to deliver lethality.

It means we must invest not only in new buildings, manufacturing equipment and techniques but also in redesigning our organisations

and management systems to embed flexibility, adaptability and agility.

It means we must allow the workforce, whether in uniform or in industry, to exercise their imaginations and initiative within the framework of clear strategic direction to develop new relationships, attitudes, behaviours, and approaches.

It means we must partner with our universities, TAFEs and research organisations because they play an essential role in providing the needed professional and technical skills.

It means every person — officer, sailor, tradesperson, or storekeeper — must proactively work to ensure that they are delivering, to the best of their abilities, on their commitments to the national enterprise that is the Navy.

The current rebuilding and expansion of the Navy offers every opportunity to do this — by design and in design.

It is an opportunity we must grasp if we are to have a Navy that has the ability to maintain our sovereignty, defend our territorial integrity, and protect our national interests wherever they may be threatened.

At the beginning of my comments I said that I had been asked to speak about the government's defence initiatives in the context of the changing military environment in Far East Asia.

What you have heard is that the government has committed to rebuilding and expanding the Navy so that it can address the ever-growing set of traditional and non-traditional threat scenarios that we see in our region.

What you have also heard is that if we are to ensure we can use this rebuilt and expanded Navy we —the Nation — must look beyond the traditional ways of generating maritime forces.

We must take a national enterprise approach where we innovate, invest, and find new ways of doing business together as part of this great national enterprise that is the Navy.

Thank you.