

CHIEF OF NAVY

ADDRESS TO SUBMARINE INSTITUTE OF AUSTRALIA CONFERENCE

14 NOVEMBER 2012

Good Morning Ladies and Gentlemen. I thank the SIA for the opportunity to speak today. These are both exciting and testing times for us to be considering the future of our submarine capability. So, I am very happy to talk about the role of the submarine in the maritime force structure.

I will of course talk about this topic but first I want to beat a drum I have been beating of late and talk about our maritime strategy, the thinking that underpins it and more broadly about the ADF's key role in defending Australia and its national interests.

We have for a number of years discussed the notion of Australia needing to pursue a maritime strategy. To those of us who ply the seas, or more accurately those of us who used to and often wish we were back there, we know this to be one of those blinding glimpses of the obvious. That said, I think one of the biggest challenges in articulating and embedding the notion of a maritime strategy in the general consciousness is to shake off the thought that a maritime strategy is all about the Navy.

It falls to me, I think, as the head of the Navy to consistently and emphatically make the point that this is not the case. A maritime strategy is inherently joint, and, in a contemporary setting, one that must be integrated across the whole of Government, part of a much wider national security effort. It is important that we in Navy make this point because if we don't then our messaging when talking about a maritime strategy is misinterpreted, and if that is the case, any sensible discussion regarding our force structure becomes similarly tainted.

As a small Defence Force we cannot be on any other journey but a joint one. With this approach there is no scope for sectional positioning or individual capability zealotry. Regrettably in the past, Navy, and proponents of the submarine capability, have been as bad as other segments of Defence and our broader national security

community in this. We must take a broader view of all of our capabilities and how they integrate into the broader joint effect we are seeking to achieve.

But, in examining the notion of a maritime strategy, we really need to understand the strength of the foundations that our strategic discourse is built on.

Sadly for us those foundations are not solid in a maritime sense and I do not think they stack up in Australia's contemporary geo-strategic environment. That said, I think Paul Dibb made some very forceful points this morning.

A big problem for us in thinking through these issues is that our national security discourse has been overwhelmingly land-centric, and please be assured I do not use this term in a pejorative sense. In some ways this is inevitable. Most human activity takes place ashore and that is where decisions are made.

But our national security debate has been a largely binary discussion between the disciples of the continental and the expeditionary schools of thought. This is a discussion, which skews the overall debate, and ignores some important changes to our circumstances. As Michael Wesley said recently, what Australia needs is a 'well developed maritime imagination'.

The very notion that we have a term such as the sea-air gap still in regular use and the fact that the concept has been sustained, in academic discourse at least, for many years now is concerning. The term can imply that this area of mixed sovereignty, sovereign rights and critical offshore infrastructure and vital trade and communications routes is a featureless and valueless space. When the term was first coined there was potentially some validity to it but I would contend that it no longer holds and has not for some time.

I have suggested in the past that we need a genuine maritime school of thought to provide the intellectual basis for a maritime strategy. A school of strategic thought 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 weakness; and it must be framed by a clear statement of our national aims and the manner in which we wish to pursue them.

In framing a maritime school of thought there are a few things that must be recognised:

- Firstly, it must recognise the sheer scale of our sovereignty and the area where we can exercise sovereign rights, the two of course being very different.
- It must recognise the increased pervasiveness of maritime trade and our national dependence on it for our ongoing prosperity.
- It must recognise the increased value of activity in our maritime environment, be it the billions invested in 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.
- It must also recognise that our terms of trade play a significant role in the growth of our real gross national income.
- 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.
- Finally it also must recognise the importance of collaboration and cooperation in keeping 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 national power as the Australia in the Asian Century White Paper reinforces.

Importantly, no school of thought should be engineered to prop up existing force structures or used as a crutch to justify reductions when times are tight.

What does this mean for a maritime strategy? I think the first thing to recognise is that our economic centre of gravity is probably not the first thing that pops into your head. It is not the resources in and on the land, nor the manufacturing capacity of our industry. It has always been, in my view, our ability to trade, the importance of getting imports in – most obviously in a strategic sense fuel – and critically, getting our exports out.

That gives the ADF a central role in a crucial national mission – **the protection of our ability to trade** – the very thing that underpins our national prosperity and security.

This 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. It means the protection of critical offshore infrastructure, which in the future may exist up to 350nm from our shores, and of sovereign territory such as our offshore island territories.

Militarily it means we need an ADF that has both reach and endurance. It is crucial for example that we have frigates and submarines that can be operated and sustained where they need to in this global system, that we have other ISR 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.

In my potentially biased view, the 2009 Defence White Paper proposed such a balanced force structure to deliver these very attributes. Yes, we do have to confront the changed fiscal reality, but as Minister Smith said in a speech to the Lowy institute in August the Government remains committed to delivering the core capabilities of that balanced force structure.

A key conclusion for me from appreciating Australia's national strategic circumstances is that Australia's strategic centre of gravity has a significantly larger maritime component than most have envisaged in the past.

Given many of the factors I have mentioned, I suggest that decisive outcomes in a campaign against Australia can be achieved by effects applied at sea and not necessarily ashore and certainly not only proximate to the Australian continent. Our society and economy simply cannot function if our fixed and mobile maritime infrastructure is targeted and disrupted.

I am not saying that all the decisive outcomes will necessarily all be at sea, they won't, but I am saying that actions taken at sea now have far greater strategic significance than before, which I believe, represents a fundamental shift from our previous thinking. This is one of the reasons that the 2009 Defence White Paper took a different approach to the traditional Defence of Australia formula and of course a very different view of the weight of the submarine contribution within the ADF's

balanced force structure. There was a very good reason for this of course and this was really about what submarines bring to the total force package. Yes, there are things that only submarines can do, but there are also things that only other elements of the force structure can do also, so we must be careful not to fall into that line of argument as the justification for the capability.

I think we as an ADF have not articulated the submarine case very well. Comparisons to special forces are superficially attractive but in the final analysis not very helpful. Likewise, focusing on the ISR function and capabilities of our boats distorts the broader understanding that we need the public to have if we are to have general support for what is and will be a significant national investment.

I think when people understand the essentially offensive nature of the submarine they will understand why we all think they are a great platform to have in the tool kit. Of course people move around uncomfortably in their chairs when we start talking about offensive capabilities. But, all serious militaries, including many in our region, have them in one form or another. In our order of battle right now, our submarines are the most potent offensive capability we possess. Talking about offensive capabilities does not mean we are aggressive, but it does mean that we understand the value, like so many others, of having some form of deterrent.

A long range, long endurance, survivable submarine gives Australia the maximum number of options in dealing with that vital national role of protecting our ability to trade and ensuring that our national prosperity is secure. We must continually restate that the two primary combat missions for submarines are anti submarine warfare and anti surface warfare. Being able to operate in a stealthy way and conduct ISR is vital but at the end of the day it is but an enabler to the main combat missions and not an end in and of itself.

If you think back to the first Fleet Unit, whose arrival 100 years ago we will commemorate in October next year, I think of the offensive power that resided in that fleet, built primarily around the battle cruiser, HMAS *Australia*. At the start of the First World War, *Australia* was the capability which led the Germans to abandon the Pacific because they thought they would be overwhelmed by the offensive capacity of the ship, by its combination of speed and armament. Indeed, the German assessment

was proven correct at the Battle of the Falklands, where the German ships were caught and destroyed by Royal Navy battlecruisers.

The RAN's offensive capability was critical in shaping Australia's strategic environment. It created the circumstances that allowed the effective employment of other assets by shaping the choices of opposing forces. The relatively small impact of German operations on Australia's economy and communications was simply because the war was largely fought elsewhere – the RAN's offensive capability ensured that relatively small German forces could not have a disproportionate impact.

In contemporary terms, I see the RAN's submarine capability having a similar role. Essentially, our submarine capability would have to be considered by anyone contemplating the use of military force against Australia or our interests. And, as I have said earlier, these actions will not need to be close to Australia to have a significant strategic effect, these are actions we must be able to counter, and others must know that we can counter them. Our ability to do so does help Australia to shape the strategic environment.

Importantly, submarines operate as part of a balanced force. Like the battlecruiser *Australia*, submarines play an important role in creating the environment where other parts of the ADF can be effectively employed as we saw in the crucial New Guinea campaign during that oft forgotten part of WW1 before Gallipoli.

Like the Minister and Professor Dibb, I would like to touch on here is the issue of nuclear propulsion. As Paul mentioned this morning, the Government has made it quite clear that the next generation of submarines for Australia will not be nuclear powered, the opposition have made a similar statement. So while we can discuss the relative merits of different forms of submarine propulsion, it is for me of academic interest only.

The ongoing debate regarding nuclear propulsion is a distraction from where our real efforts should be focused. If we were to want to follow the nuclear path there are some realities around national nuclear infrastructure and the requisite intellectual capital to support the capability that we simply can't assume away for this iteration of submarine development. These things literally take decades to develop.

As was explicit in Professor Dibb's presentation this morning, what we must have is a sovereign capability, one that we have control over, one that we can support,

evolve, adapt and upgrade. If you were to follow some of the scenarios that have been trotted out in 'various papers' you would not have a sovereign capability at all. Frankly, who wants that?

If we can take conventional propulsion as a given and accept that the strategic case for submarines has been both well made and accepted, where should our intellectual energy be focused? From my perspective above all else I would like to see the debate focused on the capability issues that need to be grappled with.

For me there is one above all others that is critical and that is the range and endurance of any new submarine.

If we can get the range and endurance issue understood, if we can get issues like the level of interoperability we need, which combat system is right for us, transit speeds, indiscretion ratios, power consumption rates, payloads, habitability and crew sizing understood then we can have a sensible debate that I believe will lead to the right capability outcome. This gets us away from some of the less meaningful debates which seem to churn through so much organisational energy and which focuses us on the wrong issues.

I think it is critical that we are looking at the four broad options that we are, from close to unaltered MOTS solutions to a new design. I am keen that people actually understand what each of them bring to the joint fight in our contemporary circumstances. I am keen that people understand the differences between them so that Government can make the most informed decision possible.

A key issue though is where the boats will operate. As the Minister and Paul have indicated already this morning, they are not designed to provide a ring of steel around our key ports. That is, as you know, a terrible waste of a submarine. They must be able to operate forward, to operate in the very places where our ability to trade can be disrupted. A potential adversary must know that we have the ability to do this otherwise we fall victim to those geo-strategic vulnerabilities that our geographic position impose on us. That is one of the reasons why we have operated large conventional submarines for nearly 50 years. It was not just a coincidence.

There is no doubt that we must ensure that we have learned the lessons from the past. I think the way we are going about the future submarine program shows that we are most certainly trying to do this. But we should also put our experiences in the

Collins program into perspective and not incessantly beat ourselves up about it. Goodness knows we had, and still have, our challenges but we should also look back at what we achieved in a national sense in our very first submarine construction outing.

I believe it does put us in a very good position to go forward with this program – we should not go forward with unabashed confidence, nor with timidity, but with a quiet determination that we will get a good outcome if we keep those lessons at the forefront of our minds and understand and actively reduce our risks, and you have heard both the Minister and Professor Dibb talk of some of things that will help us do this.

I have focused on platforms pretty heavily but I would like to touch on our submarine workforce. They have been a stoic and dedicated group over recent years when boat availability has not been what we wanted it to be. They have had to live with the frustration of the reliability issues we have had to contend with. Despite this we have grown the size of the submarine workforce steadily over the last three years and we have around 130 people in the submarine training pipeline. We have even seen a few good people return to Navy, which has been a very positive development.

The submarine workforce however, despite its professionalism and dedication, remains fragile and under attack. I have taken a number of steps to further stabilise the most vulnerable parts of the workforce in the last 17 months but it requires a constant effort on our part. I think we have learned the lesson that having your entire workforce for your capability located in one place creates a strategic vulnerability – particularly if the workforce is located in an economically vibrant part of the country. I understand the economics of the decision that was taken but, I suspect the strategic workforce vulnerability piece was not really considered. That said, I have no doubt that we can grow the additional crews we will eventually need. As the size of our submarine capability grows however, we will need to diversify how our submarine workforce is distributed to reduce our vulnerability.

Without stealing Greg Sammut's thunder, I am heartened by the year we have with FARNCOMB and DECHAINEUX in particular as I am with David Gould's arrival and the way our two organisations are working together. I am looking forward to seeing the benefits of a performance based in service support contract come to

fruition. There is still much to be done and I am by no means happy about where we are at, but we have a real submarine enterprise outlook starting to take shape, this can only help us – but only if we all deliver on our parts of the bargain.

So as we come up to a time where some important decisions regarding our future submarine capability will be made, we all need to help with the submarine narrative to an audience who is not intrinsically tuned into the issues. Most here think the arguments for submarines as part of a broader maritime strategy are self evident, but we need to go about articulating them within the context of the needs of the ADF and the role that it plays in underpinning our national prosperity. It will at the end of the day be a joint force that continues to secure our ongoing prosperity and security by protecting our ability to trade; submarines will continue to play a vital role in that.