



## Chief of Navy and the RAN in 2011

Vice Admiral Ray Griggs AM CSC RAN Chief of Navy spoke to the USI of ACT in Canberra on 10 August 2011

*The United Services Institute of the ACT hosted a presentation by the Chief of Navy, VADM Griggs. He provided an overview of the challenges facing the Royal Australian Navy in a very frank presentation. He was introduced by the President of the USI of the ACT, Rear Admiral Brian Adams.*

Good evening to you all and thank you for the opportunity to talk to you tonight about my initial impressions as Chief of Navy. I have just clicked over two months in the job; the honeymoon is, I suspect, over and throwing the tag of the new chief around is starting to sound increasingly hollow.



I would like to start tonight though by acknowledging my predecessor Russ Crane and the work that he did over the last three years. Sadly, he will never get full public recognition for what he did, the moral courage he displayed and the sensible and practical way that he went about making change in Navy. I believe that he has laid down a very firm foundation for me to move Navy along the path it needs to move along.

I am honoured to have been asked to take on this role and to lead the Navy through what I believe to be a critical time for the organisation. In circumstances such as these, having a solid platform to build on is critical and I thank Russ for that. I do of course have the capacity for independent thought but my pathology is not to try and re-badge everything just so it can appear that I am doing something different. It is results that matter to me and that is how I want my time in this role to be judged.

I come to the job after three years 'out of Navy,' having been engaged firstly in the Force Structure Review (FSR) and White Paper in 2008, then trying to find a way to pay for the force structure we came up with in FSR by

finding the 20 billion in cost reductions that formed the core of the Strategic Reform Program. That was followed by 13 months as Deputy Chief of Joint Operations out at Bungendore. These three very different jobs have given me invaluable insight into what the broader Defence organisation is doing, what the strategic imperatives are and where the challenges really lie.

It was certainly good to come back into Navy, albeit a little sooner than I had envisaged. I think overall we are in reasonable shape despite what others would have you believe. Operationally we continue to kick goals. OPERATION RESOLUTE remains our biggest single operational commitment. In normal operations we provide seven Armidale class patrol boats every day and occasionally a hydrographic ship. Navy has also taken on the manning of the Transit Security Element for the next two years, which has the added advantage of getting more of our younger sailors to sea where they can progress their competency logs and gain some valuable operational experience. Of course the dangers inherent in RESOLUTE were brought into sharp relief on 15 December last year off the rocks at Christmas Island; our people were magnificent, simply magnificent, in the most appalling of conditions and in the most tragic of circumstances.

We have been active in the Solomons with LCH support to OPERATION ANODE, the LCHs have also been active in East Timor and in the Pacific in support of Pacific Partnership, and we have people ashore in East Timor also in important staff roles.

I recently accompanied Minister Clare into Afghanistan. It was my second visit in 12 months

and I can be reasonably confident in saying that it was the first visit of a Chief of Navy to that country. I was certainly impressed to see some of the change and progress that has been made. This time my focus was very much on what Navy people are doing to contribute to the joint fight. We have people in a wide range of positions: from patrolling on the front line with the Mentoring Task Force and explosives ordnance work, to some key headquarters and support positions. They are universally well respected and, along with the 25 or so Navy personnel at the national headquarters in the UAE, are making a great contribution. These numbers are up significantly from last year and I am keen to maintain this level of support. Of course we also have the frigate in the Middle East Area of Operations doing a sterling job across their counter piracy, counter terrorism and general maritime security missions. Our people in Bahrain are playing a key role in the Coalition Maritime Forces organisation both supporting Fifth Fleet and through the command role we have with Combined Task Force 150. We also have a small number of Navy people in Sudan as part of the UN Mission there. All in all on any one day we have about 600 personnel deployed on operations today doing a terrific job.

We have some good news capability stories too. I will talk about Largs Bay later but the one I want to mention up front is the ANZAC Class anti-ship missile defence (ASMD) upgrade. I have followed this project for a number of years and had a deal of involvement in the early phases. HMAS Perth has completed the upgrade and has recently returned from Hawaii where the system was put through its paces in a much more demanding environment than we can provide here – and the results were first class. We have a serious capability improvement here and at the heart of it is technology developed down the road at Fyshwick. The ship's company of Perth love what the ship can do; there is real excitement about this project and rightly so.

We do have some significant challenges to deal with however. Coming into the job I felt that I knew what those challenges were, and in general terms I did, but with three years away from the nuts and bolts of running Navy, I was certainly not across the detail as much as I am now. Ignorance is bliss they say – I am no longer ignorant nor blissful!!! Our reputation in certain

areas has been damaged, particularly with Government; I know that this is hardly breaking news but restoring our credibility is critical.

To do that I have three key areas of focus for this three years as Chief of Navy and I will talk about each one in more detail this evening. The first is getting back to the point where we are delivering on our contract with Government in terms of availability of current capability. My second priority is ensuring that we are well positioned as a Navy to introduce the LHD, AWD and our new helicopters in the most efficient way. My final priority is staying the course with the cultural change and reform journey on which we are currently embarked. It sounds relatively easy if it just rolls off the tongue without too much thought.

In terms of provision of current capability, ship availability has dogged us over the last twelve months particularly in the submarine and amphibious capabilities. As I have said, these challenges clearly are a concern with Government. There is no doubt that Government has a reasonable expectation that if we say we will meet a certain level of capability, we will. After all that is what we are funded for. Government has a right to expect it and we have a responsibility to deliver it. We simply have not achieved that over the past 12 months.

The amphibious ship availability issue has been a well trodden path in the media and at Estimates – you are all aware of the basic story. I think the best way to talk about this is in the context of Paul Rizzo's excellent work on the sustainment and management of our support ships. I wholeheartedly support the general thrust of his report and the 24 very sensible and practical recommendations that he has made. We are already cracking on with them and integrating the recommendations of a number of other related reviews to ensure we achieve a holistic response.

There is no doubt that the capability management of our support ships has been poor. The key theme is one of under-resourcing which, when combined with trying to manage a diverse and aging number of different ship types, resulted in the failure of our processes. It was not that we didn't have the theory right - we did - but we started behind the eight ball with respect to configuration and maintenance management and

we had progressively stripped away some of the key checks and balances in favour of self audit. We had become victim, I think, to the 'ISO 9000 syndrome'. There was a small dedicated team who worked exceptionally hard to keep things together, but eventually they were overwhelmed and the system failed. We are all responsible in our own way, we were all frogs in the slowly boiling pot of water – no one jumped out!

I have emphasised internally that this is not just about engineering, it is about a broader failure of our core business as a Raise, Train, Sustain organisation - capability management. The practice of engineering in Navy is, however, central to the way forward. We have for too long treated engineering as an overhead and not the enabler that it is in a high technology organisation. Our technical people are in great demand throughout the broader economy and, despite being able to work with some amazing technology, if they feel undervalued it should not be a surprise that the lure of better pay and a more predictable life style proves too much. One of the key challenges in implementing Rizzo is in rebuilding the engineering function and restoring our engineering community's belief in itself. Initially I will need to buy in the skills but of course that is easier said than done in our current economic circumstances.

We are on the way back though with amphibious availability, admittedly from a very dark place. Largs Bay is nearing the end of her certification docking and I was lucky enough to tour the ship in Falmouth last week. It is a very, very impressive ship, very thoughtfully designed around the embarked force. The ship is in excellent condition and she will provide us with a great capability during the amphibious transition period over the next five years. She will arrive in Australia before Christmas and be ready to assist HMAS Tobruk during the coming cyclone season. In addition to meeting any short notice contingency requirements, she will provide great lead in training for the LHDs particularly in terms of dock operations, dynamic positioning and electric pod propulsion.

Submarine availability is also a key issue for me. I need three submarines running so we can meet our operational requirements while at the same time growing the submarine force not only in terms of numbers but importantly, experience. As

has been all too painfully exposed in the media, what we are doing right now is simply not working and we cannot live with more of the same. We have made significant inroads into stabilising and growing the submarine workforce following Rear Admiral Rowan Moffitt's study into submarine workforce issues a couple of years ago, but that progress is being undermined by a lack of boat availability. The Minister recently announced that John Coles will look into the issue of submarine sustainability and this is a body of work that I am very much looking forward to because, like the Rizzo report, it will give me an external look and recommendations to work with early in my time as CN. I had a very good session with John in London last week and I am very confident that between his work, the new performance-based in-service support contract (once finalised) and the inventory remediation program that is in train we will see some improvement. It will not be quick but it is essential that we make this progress. There is a risk, and I see this risk materialising, that continued poor performance in submarine availability will adversely impact moving forward on the future submarine project. You would have all seen Minister Smith's recent comments relating to this and we should not be surprised that there might be an impact. This only sharpens my focus on working closely with the Defence Materiel Organisation to move the Collins issues forward.

The transition to new capabilities such as the AWD, LHD and the new helicopters is of course a key capability management focus for me. While it is very early days for the Seahawk Romeos, both LHDs and AWDs are progressing apace. I have crawled over a number of blocks being built at ASC for the first AWD, and things are moving forward quite well despite the hiccup with some block production in Melbourne. The recent decision to give Navantia some of the blocks to build has minimised any schedule delay. They are going to be excellent ships and get us back into the air warfare game in a big way; that is an exciting prospect in itself.

The LHD is of course a game changing capability for both the Navy and the ADF more generally. I had looked at drawings and photos of the LHD but frankly nothing prepared me for the sheer industrial size of Canberra when I walked through her with Minister Clare last week. It truly will be an awesome capability and introducing them into

service will challenge us; Paul Rizzo picked this in his recent report. My focus on LHD introduction into service is on a number of issues: from ensuring that we can safely operate the ship (not as simple a task as just showing up and doing a bit of training) and integrating the ship and her landing craft into the broader amphibious construct, right through to ensuring that we can sustain the ship's technical integrity. There are some three thousand tie down points, for example, so what testing regime will we have? The scale of the ship demands that we think about these issues hard and early.

A key issue for me in all of this is workforce flexibility. The shape of our current workforce is wrong. We have around 1100 less trained people than we should have and around the same number more untrained than we normally carry; this threatens maintenance of current capability through the transition period just as we need to ramp up for these new platforms and undergo in some cases some quite extensive training.

We are using the concept of Capability Implementation Teams to assist me bringing these capabilities into service. Their remit is a simple one, to ensure that all of the fundamental inputs into capability are considered, all the linkages are made and stakeholders engaged and on-board. These teams are necessarily fairly small and are extremely hard working, and their importance to the successful and smooth entry into service cannot be over estimated.

I want to turn now to cultural issues. There are some poor public perceptions relating to Navy's culture. Let me say upfront that I don't share those perceptions. There is a perception that there is a sick culture in Navy, again I don't see that. I didn't see a sick culture in the actions off Christmas Island in December or in Pakistan, Queensland or Victoria providing flood relief. What I am seeing is some real evidence that the open reporting culture we are striving for is coming to pass. There is some short term hurt as a result of that because we will report things more frequently. However, I am seeing a real desire to move our culture forward and real participation in our New Generation Navy programs to achieve this. There is little doubt in my mind that improving leadership at all levels is the key and we are putting considerable effort

into revamping our leadership courses to up skill our people in this regard.

This is probably a good segue into a discussion about NGN. I know that Russ Crane realised that our culture wasn't cutting it for us in terms of creating an overall workplace environment where people would want to be in the future. With the host of new capabilities coming on line this decade and the skills that we need to effectively operate this fleet, we needed to do something. We have focused heavily on behavioural issues up front. This was necessary in the light of Success but it was also an essential part of preparing the organisation to be change ready. However, I don't want NGN to be defined as an unacceptable behaviour change program. That is important but NGN it is so much more than that. Our ten signature behaviours are a powerful tool in taking us on the cultural change journey and they are an excellent set of guideposts for us all to work towards. We won't get them right every day but if we are all trying to get them right, it is inevitable that the culture will shift through simple momentum.

I will add some more threads to NGN over the next three years but one thing is certain, my commitment to it, and to achieving real change, is absolute. Some of these threads will focus on the importance of embedding governance, personal accountability, technical integrity as an organisation-wide responsibility and developing our individual and organisational resilience. I think we could be a more resilient group, and part of this is rediscovering our warfighting culture.

We have spent over a decade now where the focus operationally has largely been on constabulary and humanitarian relief matters. These have all been necessary things and represent a very good use of our particular skills to bolster what government can bring to bear in particular circumstances, but, and there is always a but, they are not the reason we exist. We have had the tag as the best boarding Navy in the world for over a decade as well; my response to that is 'well, that's nice but so what.' It's not why we exist. We exist as a national insurance policy in tough times. There is no point in getting great equipment, which we are, having great people, which we have, but not having the right mindset to know how to use it to its full extent. I will work

on a range of practical measures to enhance our 'grit' as our British counterparts would describe it.

Personal accountability is another key issue for me and has been for many years. I think we have drifted away from holding people to account. I need to be clear on what holding people to account means. It does not necessarily mean sacking someone, which I think is the general view in the media. It does mean looking at a particular incident or issue and applying an appropriate sanction or response to a person or persons who failed to meet the standard expected of them, be it professionally or personally. Systemic failure has become a bit of an easy excuse. There is no doubt that systemic failure is real, the amphibious ship issue is a good example of that, but I think we might be overusing it in other circumstances. If we are to be a values-based organisation then we must hold people to account for those values, particularly when it comes to personal conduct issues. I am encouraging Navy's senior leadership group to embrace this more aggressively.

Another key part of the overall reform journey is the Strategic Reform Program (SRP). I am of course quite invested in this program having spent twelve long months of my life in putting the package together and getting the program set-up for success. I have already stated publically that Navy will aggressively play its part in making SRP work, ensuring that we meet the cost reductions that we are required to meet, and more importantly helping to make Defence a different organisation. But it is about more than that. We need to remember the reason we are doing it and it all comes back to capability and the force structure articulated in the last White Paper. The early achievements we have had in the program have been pretty much as expected;

we deliberately designed the program to ramp up slowly so that we could get a number of reforms in place. Reform was always the aim, demand reduction was always going to be a part of the equation, but it should not be allowed to dominate. The real test with SRP is over the next three years as the cost reduction targets ramp up.

You will have detected already a potential disconnect between a theme of under-resourcing in our core capability management functions versus a general theme of reform to achieve a much more efficient organisation. Paul Rizzo correctly identified this in his report and made it clear that there will need to be trade offs made. This will be a key challenge ahead. Personally I think that puts me in a stronger position in the resourcing debate – the Rizzo reforms cannot fail, because the capability risk is too high.

Despite the challenges I have spoken about tonight I do still have a fair degree of optimism about Navy's future. Our people remain committed to our mission, they believe it is a worthy one and they are delivering on operations every day. We have a very exciting and challenging recapitalisation program ahead and we live in a time when the strategic forces are maritime in nature. This is the Asia Pacific century, which inherently means it is a maritime century. I believe that Force 2030 is the right force structure for the ADF and Navy's part of that force and its contribution to the joint fight is critical.

I hope that has given you a sense of where Navy is at and where we are headed. There are a range of issues I simply didn't have time to cover and I am more than happy to take your questions to fill in any gaps.

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## Biography:

**Vice Admiral Ray Griggs, AM, CSC** joined the RAN through the RAN Reserve. He has served as ADC to the Governor of Tasmania, as Deputy Director Military Strategy and Director Future Warfare in the Australian Defence Headquarters. He was the commissioning Executive Officer of HMAS Anzac helping to bring the Anzac class into service. In October 2001 he assumed command of the Anzac Class frigate HMAS Arunta and was immediately involved in border protection duties as part of Operation RELEX. Arunta then deployed to the Persian Gulf to enforce United Nations sanctions against Iraq and in support of the War on Terror. He has commanded the Australian Amphibious Task Group. He was promoted to Commodore in February 2006 and appointed as the Deputy Maritime (Fleet) Commander until assuming the position of Director General Navy Strategic Policy and Futures in Navy Headquarters in September 2007. Seconded to the Defence White Paper team in 2008 he led the development of the Force Structure Review that provided the force structure underpinning the 2009 White Paper. In early 2009 he attended the UK Higher Command and Staff Course and was subsequently promoted to Rear Admiral and appointed as Deputy Head Strategic Reform and Governance. In May 2010 he assumed the role of Deputy Chief of Joint Operations. He was promoted to Vice Admiral and appointed Chief of Navy on 7 June 2011.