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The Australian Naval Institute Inc.

The Australian Naval Institute was formed and incorporated in the Australian Capital Territory in 1975. The main objects of the Institute are:

- to encourage and promote the advancement of knowledge related to the navy and the maritime profession,
- to provide a forum for the exchange of ideas concerning subjects related to the navy and the maritime profession, and
- to publish a journal.

The Institute is self-supporting and non-profit making. All publications of the Institute will stress that authors express their own views and opinions, which are not necessarily those of the Department of Defence, the Chief of Naval Staff or the Institute. The aim is to encourage discussion, dissemination of information, comment and opinion and the advancement of professional knowledge concerning naval and maritime matters.

The membership of the Institute falls in the following categories:

- *Regular Membership* - open to members of the RAN or ANR and persons who, having qualified for regular membership, subsequently leave the service.
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ABOVE-Friends and Councillors at the Air Day for Friends of the ANI, NAS Nowra

COVER-Lightning Never Strikes Twice (LSPHOT Gary Whiting).

DEPARTMENTS

From the Editor	2
President's Annual Report	3
Washington Notes	5
Council of the ANI	38
Book Reviews	60
Book of the Quarter	63
Guide to Authors	65
Advertising	66

FEATURES

THE 1992 NAVAL SYMPOSIUM

Management and Change - Opening Address Vice Admiral I.D.G. MacDougall, AO RAN	9
Corporate Issues Rear Admiral R.G. Taylor, AO RAN	11
Executive Sub Program Rear Admiral R.G. Taylor, AO RAN Rear Admiral D.B. Chalmers, AO RAN Rear Admiral A.L. Hunt, AO RAN	21
Combat Forces Sub Program Commodore C.A. Barrie, RAN	33
Naval Support Command Rear Admiral D.G. Holthouse, AO RAN Commodore M.B. Forrest, RAN Commodore D. York, RAN Commodore G.A. Moreton, RAN	39
Closing Address Vice Admiral I.D.G. MacDougall, AO RAN	53

NEW ZEALAND CHAPTER

The Future of the Royal New Zealand Navy Rear Admiral I.A. Hunter, RNZN	55
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From the Editor

Although the last journal was technically my first as editor, I would prefer this issue to be seen as the initial product of a new team. Having identified the proceedings of the 1992 Naval Symposium, conducted at HMAS Watson, in early December 1992, as appropriate for the new style journal, we have had a little more time to put this issue together and hopefully get it right. As you will note from the guide to authors, the journal is now put together using WordPerfect 5.1 as the desktop publishing software, which while not providing perhaps the same options in layout as previously existed, makes editing and proofing so much easier for the editorial board. I ask the *Institute's* members to bear with us as we develop style for this new configuration. We are only too happy to receive suggestions on layout from interested readers.

Good original material is still scarce, and although we are slowly gathering articles for the next and subsequent issues, moving to a 72 page A4 size journal means we still need more. I have set as my objective for my tenure as editor to develop a reputation as an editor who gave the younger and more junior members their chance to appear in print. In that respect the editorial board will be only too pleased to provide advice on draft articles, which our more junior members may have been reluctant to submit for publishing, perhaps because of uncertainty about the strength of their arguments or whatever. I would also like to hear more from some of our retired members, who perhaps may feel a little less constrained in putting their views forward now that they are out of the system.

As mentioned above this journal is devoted to the naval symposium and in particular to the corporate reports delivered by the program managers. In deciding to publish these proceedings we were mindful that not everyone in the RAN gets to attend the symposium, and that the journal is also one of the few mediums through which our retired members can keep abreast of what is happening in the navy of today. A final



reminder that subscriptions and renewals for 1993 were due at the beginning of the year. Current financial status is shown in the top left hand corner of the mailing label. For example if you are current for 1993 you will have 93, in the top left hand corner. To those members who are on the move, please forward us your change of address. Do not forget to put you name as well as the new address on the Reply Paid envelope. You also should note that the book advertising does not now occur on the back of that envelope but is on the last page of the journal. This was a decision based on pure economic rationalism, but you are encouraged to still use the tear off slip on the insert, filling in the details as required.

Regards

Dick Sherwood

The President's Annual Report

1992 has been a year of essential house-keeping for the *Institute*. Before we could attack the vision of a future strong quality centre of professional thinking and debate, the Council had to deal with a falling and ageing membership, a lack of firm understanding of the financial state of the membership and a Journal which to my mind at least needed invigorating. We needed to build on 1991's success with the coterie of friends and in supporting major seminars.

As we enter 1993, I am pleased to report that the housekeeping is nigh complete and we are almost ready for rounds prior to what I hope to be a well directed leap forward.

We have reviewed our membership, accounting and information systems and now know who are current members. I have written to all Flag Officers, Captains and Commanders who are not members of their professional body or have let their membership lapse, and we are about to target our junior officers and the busy sea-goers and their supporters in the Lieutenant and Lieutenant Commander areas. The Senior Sailors will follow as a target group and we have been extolling the benefits of a strong *Institute* at places such as the RAN Staff College and to the young officers at the Defence Academy and HMAS Creswell.

Already the numbers are on the increase - albeit slowly. There is much to be done, but I am confident that 1993 will see a more vibrant younger *Institute*. The returnable fly-sheet, which was added to the journal during the year has been successful, and a new editor and his sub-committee, who it is proposed be supported in 1993 by an Office Manager, have worked hard seeking quality improvements to the journal.

The Council after a short flirtation with publishing has recognised the potential financial pitfalls of such ventures and whilst retaining a book of the quarter, is now concentrating on re-invigorating the Journal in a new format, which will be first seen in our February publication. I trust with a more vibrant membership we can engender a larger degree of journal debate and

elicit a wider range of original professional thought.

The Senior Vice-President has completed a Strategic Plan during the year and now has a Business Plan near completion.



Unfortunately our Chapters in Australia remain weak but we should be encouraged by the strength of the New Zealand Chapter, which is most active and now numbers more than sixty. I look forward to their contribution to the debate.

Our financial status remains reasonable. We paid the costs for publishing five journals, during the 1992 financial year, remaining on the right side of the ledger and with an increasing membership, the future although not assured, is mildly optimistic.

Our Vernon Parker orator for 1992 was the Hon. Don Chip, who also was present at our dinner for the Friends Coterie. A sea day for the Friends in 1991 was followed by an Air Day at NAS Nowra in 1992. The FRIENDS of the ANI provide us with valuable support and I trust we facilitate them (at least in the future), with a window into professional thinking with respect to Maritime and Naval Affairs.

Finally, during 1992 the Library has found a new home in Campbell Park and is currently being catalogued.

I believe that as our Navy progresses steadfastly along its self reliant journey, the ANI is now ready to move forward in 1993 broadening its membership, re-invigorating the Journal and evolving towards its rightful place as a professional focus for independent maritime and naval thinking.

Regards,

Don Chalmers



ANI PUBLISHING POLICY

by Jason Sears

(Council Member for Books and Seminars)

In 1992 the Australian Naval Institute Press published its first book *A Few Memories of Sir Victor Smith*. Following the initial success of the publication, the President of the ANI, noted in the May edition of the journal that:

Finally, we have now branched out into the book world, as evidenced by the biography of Sir Victor Smith AC KBE CB DSC. This was a pioneering effort which was successful thanks to the work of a lot of people, particularly Commodore 'Toz' Dadswell AM. While Sir Victor was truly a mighty (and most fitting) subject for such a book, there are other people and events which could well merit publication. Suggestions and offers of help would be most welcome.

Following these comments, the ANI received three requests for publication, however, evaluating these manuscripts was very difficult as the Institute did not actually have a firm publishing policy. As a result of this difficulty a paper was presented to the ANI Council at its October meeting which discussed whether or not the ANI should be involved in publishing and then outlined

a number of possible approaches that the ANI could take to publishing.

After some discussion of the issue, the Council decided that:

Now was not the time to branch out into professional publishing. The ANI Council does not have the marketing experience or expertise to embark on such a project. It was felt that it was more worthwhile to direct manuscripts to AGPS and for the ANI to continue promoting its 'Book of the Quarter'.

Consequently, while the ANI is at this time prepared to accept manuscripts and hold them in its library, it is only prepared to support their publication in conjunction with a professional publisher. The ANI's publishing efforts will be directed at improving the content and quality of the Journal and it will promote books on a no risk basis in cooperation with the ADFA CoOp bookshop through its "Book of the Quarter".

WASHINGTON NOTES

from Tom A Friedman
in the United States of America

SAILORS AND SEX

So the title is a cheap, lurid come-on. If you are expecting an apology, forget it! After writing about strategy, weapons systems and budgets for 13 years, I refuse to pass up what might be my only chance to exploit the appeal of tabloid sensationalism in a professional journal. In any event, it just so happens that the title is dead on target as the Armed Forces of the United States, and particularly the United States Navy, grapple with issues of relationships between the sexes and among members of the same sex.

The Navy's failure to fully integrate women into the service provides an environment in which antiquated ideas about professional women can flourish. The result of this deplorable lack of leadership from the upper echelons of the Navy resulted in what has become known as the Tailhook explosion has yet to clear. Secretary of the Navy H. Lawrence Garrett III resigned in disgrace and Rear Admiral Duvall (Mac) Williams Jr., commander of the Naval Investigative Service (NIS), and Rear Admiral John E. Gordon, Judge Advocate General of the Navy, have taken early retirement. Rear Admiral George W. Davis VI, Inspector General of the Navy, has been reassigned, and control of the NIS has been removed from the Navy and placed in the hands of a civilian.

Named for the Tailhook Association, which includes many members of active duty and retired Navy and Marine Corps aviators, the events leading to the scandal took place at the Association's convention in Las Vegas, Nevada, in September 1991.

One night, at least 26 women, of whom 14 were military officers, were forced to endure verbal harassment and obscene physical assaults as they passed down a "gauntlet" on the third floor of the Las Vegas Hilton. Flag and other senior officers were nearby as was the Secretary of the Navy.

One of the women who was assaulted was Naval Aviator Lieutenant Paula Coughlin.



Lieutenant Coughlin, an admiral's aide, informed her superiors about the incident. Her statement was initially given scant attention according to a report issued by Representative Les Aspin (Democrat-Wisconsin), then chairman of the House Armed Service Committee and now Secretary of Defence.

But Lieutenant Coughlin refused to let the matter drop. She was fighting an uphill battle because the Navy tended to be not only unresponsive to grievances about sexual harassment but actually appeared to condone negative behaviour toward women. Eventually, the NIS --- the same organisation that botched the 1989 investigation of a turret explosion on the USS Iowa --- was ordered to look into the allegations.

Months went without result. The Investigation was stonewalled by members of the naval aviation community that closed ranks and refused to cooperate with the NIS. According to a report issued by Derek J. Vander Shaaf, the Defence Department's Deputy Inspector General, Admiral Williams said that Lieutenant Coughlin's use of profanity in her statement when describing what she had said to her attackers indicated she was the type of woman who "would welcome this kind of activity."

According to Shaaf, the Navy Judge Advocate General failed to ensure adequate investigations to make sure that all relevant issues were being covered, including individual accountability for misconduct. Admiral Davis was found to have "shielded senior officers by failing to hold them individually responsible for misconduct at the convention." Similarly, the NIS

sought to limit the scope of its investigations. Admiral Williams was censured for attempting to dissuade his own investigators from pursuing issues "that might lead them to question the conduct of senior officers at Tailhook '91."

Lieutenant Coughlin eventually "went public" when she was denied her rights as a naval officer. The Commander in Chief, former President George Bush, heard her loud and clear. He summoned her to the White House where she was assured that she and the other women involved in the Tailhook affair would receive the justice they deserved. He also promised that sexual harassment would not be tolerated in any of the Armed Forces.

I never fail to be surprised that people think they can cover up an event like Tailhook when so many people are involved. What could the NIS and JAG have been thinking? The nation had only recently experienced the trauma of the Senate Judiciary Committee hearings on the appointment of Judge Clarence Thomas to the Supreme Court, hearings which centred, in large part, on allegations of sexual harassment made against Judge Thomas.

The Thomas hearings forced many Americans to reassess how they deal with sexual harassment. Many political pundits credit Bill Clinton's election as President of the United States in part to the spontaneous mobilisation of women who were determined that they and their sisters would never again face an inquiry like Professor Anita Hill did when she spoke against Judge Thomas nor, for that matter, would they suffer sexual harassment in silence. It is almost beyond belief that senior naval officers were so insulated that they did not know the winds of change had become a hurricane that would sweep the country.

It is a disgrace to the Navy that no officer tried to halt the Tailhook escapade. This failure flies in the face of what I have always considered one of the most admirable virtues of military life, namely the loyalty shown by officers to their subordinates: "The men come first." For some reason, I always read "men" as to include "women." Obviously, I was wrong.

If the Navy had treated women correctly in the first place, it would by now have had invaluable experience in dealing with changing sexual adjustment, the acceptance of openly gay people in the services.

Let's face it: Homosexuality exists in the Navy. And it's not a new phenomena. Winston Churchill, you will recall, said that the traditions of the Royal Navy were "rum, sodomy and the lash."

According to The New York Times, it is estimated that 10 percent of the armed forces are homosexual. More than 14,000 members of the armed forces have been dismissed for homosexuality in the last decade. That is a lot of money for training down the drain just for not liking someone's sexual preference.

The reasons some people use to keep homosexuals out of the service just do not hold up anymore. Former Defense Secretary Dick Cheney admitted that "the old chestnut" about gays being security risks was no longer valid. All of our NATO allies (except the United Kingdom), Israel and---lo and behold---Australia, all allow openly gay members in their services.

The Defense Department's justification for banning homosexuals from military service:

The presence in the military environment of persons who engage in homosexual conduct or who demonstrate a propensity to engage in homosexual conduct, seriously impairs the accomplishment of the military mission. The presence of such members adversely affects the ability of the Military Services to maintain discipline, good order and morale is much like the rationale used to justify racial segregation a half century ago:

...the necessity for the highest possible degree of unity and esprit-de-corps; the requirement of morale all these demand that nothing be done which may adversely affect the situation...-the enlistment of Negroes (other than for mess attendants) leads to disruptive and undermining conditions.

Kevin M. McCrane, a retired businessman, cautioned President Clinton in The Wall Street Journal, to keep the ban on gays.

Mr. McCrane noted that homosexual activity was rampant on his ship, the "Attack Cargo Auxiliary" USS Warrick. A hand caressed his leg and thigh the first night at sea on a voyage from San Francisco to Pearl Harbour. From then on, he slept with a wrench under his pillow. In addition to being "accosted, patted (and) propositioned" (which might sound familiar to some of my women readers), a postal clerk issued an "obscene invitation" to McCrane as he exposed and fondled himself. McCrane reported the activities to a third-class petty officer who told him, in so many words, to "forget it" since he was on a "French cruiser." (Again, some women may find this response a familiar one.) Finally, one of a group that joined the ship with McCrane was sodomized in the paint locker.

No one---and I mean no one---can condone such behaviour, whether in 1946 or in 1992. But Mr. McCrane himself provided the answer to why such acts took place on the Warrick:

The comments of some petty officer suggested that the rapid discharge of so many veterans at the end of the war brought with it a slackening of discipline (my emphasis) ..this disciplinary neglect had loosened restraint on homosexual behaviour...

A new executive officer reported aboard when the ship docked and six days later, five of the most grievous offenders were transferred off the ship. Discipline had been imposed.

The changes the services are being asked to make in regard to sexual harassment and gays are not simple. They will require a change in the very culture of the services.

Can it be done? Of course. Since World War II, two such changes, to racially integrate the services and to stop drug abuse, radically changed the armed forces. Mr. Aspin has recommended tools to end sexual harassment that may well be adapted to permit the integration of openly gay people into the services:

- (1) Leadership Commitment. From the highest levels of command down, there must be a vigorous and wholehearted effort to end sexual harassment and to integrate gays into the military.

- (2) Career-long periodic mandatory awareness training. Trained human relations specialists will be used to ensure continuing sensitivity to the problems of sexual harassment and gay integration. Clearly established mechanisms for reporting sexual harassment and gay bashing must be established.

- (3) Clear demonstration through disciplinary action and career impact that certain behaviours will not be tolerated. There must be a zero tolerance policy and strict enforcement of regulations on sexual harassment and gay bashing. Swift disciplinary action, including dismissal from the service in cases of aggravated sexual abuse of any kind.

Regular evaluation of service members' compliance with regulations regarding sexual harassment or the integration of gays into the services through fitness reports or other means.

To this might add that action must be taken to open as many combat arms as possible to women and gays. It may not be possible to integrate women and gays into every role in the services but as long as combat experience remains important to promotion, all members of the armed services must have as many chances as possible to serve in combat roles. None of this is going to be easy. American society is struggling to purge itself from vestiges of sexual inequality and to accept gays in business and social settings. The Armed Forces have no choice but to do the same. They are the products of as well as the protectors of a democratic nation. As such, they must reflect American society and not stand apart from it.



AUSTRALIA'S MARITIME BRIDGE INTO ASIA

MAJOR CONFERENCE - SYDNEY - 17-19 NOVEMBER 1993

The aim of the conference is to demonstrate the significance of Australia's maritime links with Asia. Specific objectives are to show how these links provide an important means by which Australia can forge better relations with Asia and to identify opportunities available in Asia for Australia's marine industries.

All Asian countries depend on the sea for foodstuffs, trade and longer term economic prosperity. Many are investing heavily in offshore resource developments, particularly for oil and gas. The growing importance of the sea to regional countries is reflected in their expanding merchant shipping fleets, the emphasis on maritime capabilities in the development of their military forces, and the attention now paid to claims on offshore territories. Maritime issues are likely to assume even greater importance in the years ahead.

There is great potential here for Australia to participate in these developments. Australia is a maritime nation itself with extensive maritime interests and considerable skills and expertise in the marine industries, and marine science and technology. These suggest an area worthy of special emphasis in Australia's relations with Asia.

The conference will explore aspects of Australia's maritime links with Asia. Plenary sessions will consider the broad strategic, economic and political context and separate industry/special interest sessions will address issues specific to individual areas of interest such as shipping, defence, offshore resources, education and training, marine safety, shipbuilding and marine science and technology. One half day will be set aside for organised visits by conference participants to centres of maritime interest in the Sydney and Wollongong areas.

Highly qualified speakers from both Australia and Asia will be invited to address the conference. It is expected to make a major contribution to understanding regional maritime issues and where Australia can make a significant contribution to the mutual benefit of both Australia and the Asian countries themselves.

The venue is the Resort Hotel at Brighton-Le-Sands, is a very attractive location right on Botany Bay, close to the airport and not too far from the Central Business District. It was the location of the very successful *Maritime Change in Asia* conference held in November 1991 and the forthcoming conference should be even more successful.

The conference is planned for the week preceding the *Offshore Australia* and *Maritime Technology* conferences to be held in Melbourne 23-26 November 1993. To make their time in Australia more worthwhile, the overseas naval visitors will be invited to attend these conferences as well. There would thus be an excellent opportunity to promote Australian marine industry to the maritime defence community of Asia.

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MANAGEMENT AND CHANGE

Opening Address to 1992 Naval Symposium

Presented by: Vice Admiral I.D.G. MacDougall, AO RAN

Chief of Naval Staff

I have a vision of the Navy getting ready for the Twenty-First Century. It is a vision of a vigorous navy with people at all levels of the organisation contributing to its success. It is also an ambitious vision given the rapid changes that have been occurring in the Australian and international economies. We in Navy, like any other organisation, have to learn to welcome, or at least live with, this continuous change and manage it for our own benefit.

You may ask, why am I stressing economic change? Surely as a navy we should be more concerned with international politics and strategy and follow Government defence policy to derive combat capability? Why this talk of management? Whatever happened to leadership?

The answer is that all of these concepts of economics and strategy, management and leadership are important and interrelated but that we have, for too long, been concerned mainly with the operational picture. At the end of the day, of course, we are in the business of putting rounds on the target but that is a somewhat simplistic statement. The fact is, we have developed a culture to suit the operational environment whilst neglecting management and the economic imperatives of change.

The operational culture works best in our ships and it involves a team effort with the final go/no go decisions being made by an individual. Most importantly, each person in that team understands what his or her role is and how it contributes to the achievement of the objective. Morale is high and performance of a pleasing standard.

The management culture has been quite different. At the corporate level, management decisions tended to be made as frequently on instinct as on data and the mostly autocratic, individualised management style which had evolved ensured that decisions were implemented in a rigid, top down approach. Our



objectives, although defined, were either not known or not understood throughout our organisation and the sense of commitment and achievement relied on good will and military obedience. No bad thing but not enough of themselves.

Many people moving from the operational to the management environment became immensely dissatisfied and tended to lose enthusiasm or sight of the aim. Might we call it the Navy Office Syndrome?

Given the number and speed of changes to which Navy has been subjected by external agencies, I found myself, to some degree, the Chief Executive of a management organisation peopled by confused, shell shocked and somewhat resentful personnel. To their credit, the job still got done, but I was convinced that we could do better. Indeed, I feel that if we do not do better, then it is possible that we will not achieve our investment and personal aspirations.

As we are all aware, the Navy today is at a critical point in its development. It, like so many government organisations, is operating in an environment of budgetary constraint and has, as part of the Department of Defence, been the subject of a myriad of reviews and reforms aimed at achieving better management of its resources. Despite these constraints Navy's capital expenditure is rising yet the Defence' share of the budget for 1992-93 will not increase and in the following years is likely to fall by at least 0.5% per annum.

This strategic picture shows no foreseeable end to an operating environment dominated by budget constraint. However, Navy at the same time is committed to its journey of self-reliance. This decade will see the introduction into service of a significant number of new ships and submarines. To ensure that these new fleet units can be effectively manned and operated, Navy must find resources from within a static or shrinking budget.

The answer to this challenge, I believe, lies in the successful introduction of Naval Quality Management. NQM's emphasis on articulated objectives, its compatibility with Program Management and Budgeting and its incorporation of the best features of our operational culture, will allow us to embrace and manage change instead of resisting it. Our new culture must become one of striving at all levels for continuous improvement. This culture change should, in turn, provide Navy with savings by eliminating much waste which we can use to better effect.

Implementation of NQM will not be a smooth process but we have our best chance over the next decade. It is possible that there will be protracted high unemployment over this period. Consequently, retention rates will also be high as people will need to stay in the Navy for economic reasons. This gives us time, albeit not a lot of time, to make NQM work so that people will want to stay in a navy made better for and by themselves.

Eighteen months on and we are making some modest savings but the most significant outcome is a trend towards people being happier in what they are doing and consequently becoming more

motivated and satisfied. There are still problems and non-believers and I am not entirely happy that we have been progressing at a sufficient rate - some areas of Navy are still at Stage One of the NQM plan where we are trying to build an awareness of the philosophy whilst others have reached Stage Two with many managers becoming committed to this new way of doing business.

NQM is not a quick fix and it will take years before it becomes an accepted part of Navy culture and its full benefits are realised. At the moment, many people find NQM a bit baffling and write it off as the flavour of the month which will soon pass. However, I think those same people will eventually realise that the NQM train is the only one going places and if they want to go places then they had better get on.



CORPORATE ISSUES

Presented by: Rear Admiral R.G. Taylor, AO RAN.

Deputy Chief of Naval Staff

This paper covers a range of issues which are not peculiar to any one sub program, but which affect the whole navy program. Some arise from external initiatives while others flow directly from CNS's vision as it was outlined at the 1991 Naval Symposium. Topics covered in this paper include:

- . the commercial support program,
- . the defence regional support review,
- . the functional examination of naval manpower,
- . the review of higher defence staff arrangements,
- . the environmental headquarters,
- . the disestablishment of Naval Officers Commanding and Naval Officers-in-Charge,
- . the rationalisation of facilities,
- . naval training command,
- . management information,
- . naval environmental planning, and
- . lessons learnt along the Naval Quality Management path.

This daunting list serves to illustrate the environment of change within which we operate.

NAVY'S COMMERCIAL SUPPORT PROGRAM (CSP)

Using commercial resources, or "contracting out" as it used to be called is not new to the navy. We have been doing it for years. We are comfortable with the concept that not everything has to be done in-house or by people in uniform. The CSP seeks the most cost-effective option, not necessarily the commercial option. Its aims are in tune with the navy's corporate objectives.

Since savings anticipated for the Tier 1 program have already been taken out of the Navy budget, the pressures for achievement of both the savings and the target date must be obvious. A large percentage of these savings is dependent on a reduction in personnel costs, so success will be influenced by our wastage rates, which in the recent past have been well below the norm.



The government has announced that all Tier 1 contracts will be signed or in-house options decided by 30 June 1993. We need to maintain the momentum. Each week's delay in request for quotations hitting the street is a week's delay in making the schedule.

What of our achievements? A range of problems has been encountered with Tier 1 activities which means that previous thoughts of early completion dates have proved optimistic. For example, with the aircraft maintenance activity at NAS Nowra, the establishment of core and non-core force size and training skills retention issues have required close reexamination to find suitable solutions. The recent deletion of 'R' servicing from the aircraft maintenance request for quotations some 12 months after the statement of requirement was first approved is an example of how the situation can change even towards the end of a CSP review. There is no doubt that there has been, some resistance to the CSP process from both service and civilian staff, including at the middle management level. We need to readvertise the benefits of CSP and this process is underway.

The commercial support program is sensitive to industrial relations considerations. Both the metals engineering workers union and public sector union have imposed national work

bans and submitted extensive logs of claims. These relate to such items as the right to be offered redeployment, retraining or redundancy packages, or to be offered employment by a successful contractor under the same terms and conditions as for public sector employment. The Department is currently negotiating with the unions.

There are risks associated with this as with any other process. The Attorney-Generals Department requires that the statement of requirements be precise, unambiguous and comprehensive as legal clarity is essential. This imposes a heavy burden on management review teams, who generally have no experience in drafting these documents but are the only people who can properly define the outputs required from the activity. One request for quotation required extensive and substantial reworking as a result.

A particular difficulty, of course, is the personnel factor. It is not just a matter of focusing on non-core issues and getting on with it. To sustain manpower structures in the core activities we need to employ some people in the same categories in the non-core sector and sea/shore ratios, skills development and maintenance, posting stability, and so on have to be addressed.



Whilst navy's core activities comprise a little less than half that of the total, the core force size, that is the number of people we need to keep in uniform, requires a much larger number of billets than is available in the core activities. This reduces the scope for CSP in Navy.

The way ahead. Further to Tier 1 activities, there is a systematic examination underway of all non-core elements for inclusion in Tier 2

activities. We need to select those non-core activities which best fit the scope of reductions acceptable to the manpower planners, and then work through the personnel considerations in detail, before embarking on the resource intensive task of a NCSP review. Naturally, contracts must be worded carefully to avoid any situation where the navy could be held hostage by its suppliers.

IMPLEMENTATION OF THE DEFENCE REGIONAL SUPPORT REVIEW.

Since the last symposium the Review has progressed to the point where implementation is being progressed in all regions throughout Australia. To assist in the eastern region, Navy has established an implementation team within Naval Support Command and all establishments in NSW.

A key outcome of DRSR for the navy has been the rationalisation and restructuring of the arrangements for administrative support in many establishments, within a single Base Administrative Support Centre (BASC). BASCs have been established at *Stirling*, *Cerberus*, *Cairns* and *Encounter* and similar support centres will be established at *Penguin*, *Waterhen* and *Kuttatbul*. *Cairns* BASC will provide support to Army's 51 Far North Queensland Regiment, *Penguin* will provide support to army bases and units in the Middle and North Head areas and *Waterhen* will provide support to local naval elements. A BASC may be established at *Coonawarra* depending on the final detail of the restructuring of Commander Northern Command Headquarters.



The future internal arrangements for administrative support at *Creswell* and *Albatross* will depend upon the results of continuing commercial support program considerations in those establishments.

DRSR considerations played a significant part in the decision to disestablish the positioning of Naval Officers Commanding and Naval Officers-in-Charge. Although the establishment of Defence Centres throughout Australia was a good opportunity to amalgamate large regional organisations such as Military Districts and civilian Regional Offices, it was apparent that the naval regional command organisations would be affected.

Consistent with DRSR principles, residual responsibilities will be transferred to Defence Centres or devolve to establishment Commanding Officers.

The closure of *Lonsdale* and the transfer of its functions to the Defence Centre - Melbourne and RAAF *Laverton* are DRSR related initiatives. For a transition period of 12 months from January, Navy will establish a forward support unit from HMAS *Cerberus* within the Defence Centre - Melbourne to provide administrative support to navy personnel in metropolitan Melbourne. During this 12 month period administrative support for civilian and all service personnel will be progressively integrated within the DC-M organisation.

The DRSR process reflects a dilemma of contemporary corporate management - the struggle between the 'effectiveness' of devolution (in terms of linking responsibility and accountability with management control of resources), and the 'efficiency' of centralisation (in terms of economies of scale, uniformity and bureaucratic delivery of services).

Although devolution is a key principle of DRSR, centralisation and integration of functions seems sensible only if efficiencies can be demonstrated without an unacceptable reduction in service.

This general debate throughout the DRSR process has served to highlight the fact that Navy does not manage at the regional level to any great extent. We essentially manage at the local and national levels and our former regional elements, the NOCs, were very small. Navy has come in for some criticism in relation to some aspects of our involvement in the new regional arrangements, but I must emphasise that our relatively low level of representation in Defence Centres is not a reflection of any negative attitude towards the DRSR

process but rather a recognition of this fact that the navy does not manage significantly at the regional level.

Incidentally, the creation of BASCs in many navy bases has required some re-thinking because of the amalgamation of the traditional roles and functions of the Supply Officer and Executive Officer. The OIC BASC has generally assumed these dual roles.

As an extension of the DRSR, the potential for greater integration and rationalisation of professional and specialist services in regions throughout Australia is to be reviewed. The review will focus on the extent to which increased efficiencies and savings for Defence as a whole might result from greater integration of functions such as medical, dental, other health services, chaplaincy, psychology, housing and personnel support services. Our existing personal services organisation is to be collocated with similar organisations from the other services, with a view to later integration.

THE FUNCTIONAL EXAMINATION OF NAVAL MANPOWER.

The functional examination of naval manpower (FENM) arose from the need to examine the effectiveness and efficiency of our manpower resource allocations or distribution.

Specifically, it is vital that we confirm that the available manpower is being best used to meet Navy's objectives and that, Navy receives full value for its salary dollar. Currently our salary allocation amounts to \$477.5 million (uniformed) and \$140 million (civilian). In the past it has been difficult to determine precisely how much is being spent on individual activities and whether they are essential. Moreover, manpower management systems have been insufficiently sophisticated to enable us to quantify exactly what skills and ranks are really needed across the program to meet the ever changing requirements. The examination seeks, among other things, to address these problems.

The Establishment Inspection (EI) process which we have used in the past was based upon statistical information, as is this examination. EI, however, suffered from a number of significant

deficiencies in that:

- . It looked at specific areas, but not necessarily at the interaction between them.
- . It assumed that activities actually conducted were necessary.
- . It did not satisfactorily analyse each of the functions to determine exactly what activities were required to support them, but based manpower requirements upon the assumption that all necessary activities had been identified and were being performed.
- . Those conducting the EI based their inspection largely upon information provided by the area under review.

The FENM methodology seeks to remove the disadvantages of EI whilst taking advantage of some EI principles and the expert detailed knowledge of those working in the areas under review. It was originally intended that the methodology developed for the FENM be trialled within Naval Personnel Division, then, using experience gained, be refined for the remainder of the Executive sub program prior to examining Naval Support Command and the shore elements of Maritime Command.



The methodology initially used in Naval Personnel Division, whilst providing very useful management information, was found incapable of accurately quantifying personnel requirements and providing cost comparisons between present and proposed manning profiles, both of which are requirements of the review.

The implementation team (facilitators) have now developed a tailor made workload recording system which specifically targets providing the information

required. This system was trialled in Personnel Division during October 1992.

The FENM process has now moved on to DCNS Division. It is intended that results obtained there be briefly reviewed to confirm the required information is being provided prior to commencing activities in Naval Materiel Division and then the remainder of the navy program. I expect that the examination of the initial elements of Naval Support Command will commence early in 1993.

THE REVIEW OF HIGHER DEFENCE STAFF ARRANGEMENTS.

As we conduct our functional examination of naval manpower, across the Department, the higher defence arrangements are being reviewed separately. The review is a follow on from the 1989 Sanderson Review. It will not alter the roles of CDF, the Secretary or the Service Chiefs, but aims to determine whether there are:

- . Areas of unnecessary duplication between HQADF, the Service Offices and the Department;
- . Policy staffs in service offices which could be better centralised in HQADF;
- . There are areas for further rationalisation between HQADF and Defence Central, between HQADF and Service Office's and between Defence Central and Service Offices;
- . Non policy functions that can be devolved to Commands or Defence Centres or carried out external to central policy organisations; and
- . Functions that should be considered as CSP candidates or discontinued.

The final report is due to be discussed by the Chiefs of Staff Committee (COSC) late in 1992. It is reasonable to expect it to emphasise flatter structures and a reduction in numbers of Canberra based personnel.

While this might change the size and shape of Navy Office, our aim while pursuing sensible change will be to ensure that all the necessary functions continue and, that appropriate staff resources are retained for our journey of self reliance.

Many will have heard reference to the possibility of the collocation of the Joint Commanders' Headquarters. On 27 May 1992, the COSC agreed that a project team should be formed to develop costed options for the permanent collocation of the Maritime, Land and Air Headquarters. The report was presented for COSC consideration on Wednesday 25 November 1992.

Collocation is expected to:

- . implement the principle of unity of command;
- . provide a common command support system;
- . match expertise to available manpower without duplication; and
- . overcome the existing need to make ad hoc arrangements for the conduct of operations and major exercises.

The project team comprised representatives of HQADF, the single services, and the non-service programs. The maritime, land and air headquarters and defence intelligence organisation were consulted. The report addressed such issues as the existing joint and single service responsibilities of the joint commanders, the need or otherwise for a permanent Commander Joint Force Australia, and other implications of collocation for command and control doctrine.

Until the outcome of COSC consideration is available I can provide no further detail.

On the subject of command and control, it should be noted that:

- . Effective from 1 January 1993, naval area and sub-area commands are to be disestablished and the NOC and NOIC titles will disappear.
- . Also effective from 1 January 1993, the Support Commander will assume command responsibility for all commissioned and non-commissioned establishments, including Naval Communication Station *Harold E. Holt*. These establishments will provide support to lodger units and operational assets (where appropriate, under the command of MC AUST).
- . Effective from 1 July 1993, a

national Training Command is to be established which will form a fourth sub-program in the navy program structure. Lodger units (training schools and units) under the command of COMTRAIN will be supported by the parent establishment.

- . Also effective from 1 July 1993, these revised command and control arrangements will be reflected in our financial management and program management structures.

RATIONALISATION OF FACILITIES.

As a logical extension of the Force Structure Review and other related efficiency reviews, the facilities rationalisation study was initiated in January 1992. A study group, tasked with developing a long term facilities rationalisation plan, has been established within HQADF. The study is aimed at consolidating the training and support bases in southern Australia into the minimum practicable number of major complexes, emphasising both multi-user and joint facilities.

Within this framework, HMAS *Lonsdale* will close in Melbourne. Those navy functions and personnel currently located at *Lonsdale* will transfer to other navy and defence facilities in Melbourne, primarily HMAS *Cerberus*, the Defence Centre and also the air force base at Laverton.

We are also examining the potential for rationalising the functions of HMAS *Creswell* or HMAS *Penguin*, to identify whether there are opportunities to make savings in either area. The results of this study are expected to be available shortly.

Navy and Army Office are currently also examining a proposal by the study group to consolidate Brisbane based Army water transport and Navy landing craft elements at Townsville rather than the Army base at Bulimba in Brisbane, as was proposed by the Defence Regional Support Review. We believe we still need water front access in Brisbane, but whether this might best be at *Moreton* or *Bulimba* remains to be seen.

Facilities and property division, in consultation with the service offices and ADF and regional authorities, is also conducting a number of desk top studies of the defence presence in

discrete regional areas. The review of the 'defence presence in Sydney' is nearing completion, while the review of the Brisbane area commenced in early October.

The long term rationalisation plan being developed is expected to realise considerable resource savings which could then be used to further implement the recommendations of the Force Structure Review. Navy, as well as the other programs, would have an opportunity to share in these savings, enabling us to invest greater resources in other priority areas.

NAVAL TRAINING COMMAND AND REPATRIATION OF OVERSEAS TRAINING

CNS stated in his vision statement of 1991, that 'the skills and the sophistication of the COMTRAIN organisation will grow apace and will be a cornerstone of our future professionalism'. Quite apart from the implementation of the new training structures for technical and seaman categories, two major developments have since been initiated which are significant steps toward fulfilment of CNS's vision.



Consistent with the national management approach to both command and control and our Program Management and Budgeting (PMB) program structure, as already noted, a Training Command is to be established as a separate sub program in its own right from 1 July 1993. Training is a vital function and experience has now shown that as a major activity it requires greater visibility than as part of Support Command. As a separate Command it will be fully responsible and accountable to CNS for national training activities.

The second development, which will

challenge the new training command, and contribute to our self reliance relates to the repatriation of overseas training. The time is right now because of:

- the imminent cessation of some significant USN technical courses,
- the current temporary availability for programmed training of ships during scheduled reduced activity periods alongside, and
- budgetary pressures to reap further resource savings.

US based technical training is first to be examined. A small working group has already been formed in Sydney by COMTRAIN to get the ball rolling. They will develop a methodology for evaluating options for each existing course, including the option of maintaining the status quo where repatriation is unachievable. All other overseas training will eventually come under such review.

INFORMATION MANAGEMENT

Information is a corporate resource, which must be managed professionally like any other resource. Information systems, which are increasingly, but not exclusively, based on the application of information technology and designed for the collection, storage, processing and transfer of information, are essential for the achievement of Navy's corporate objective. The appropriate and timely distribution of information throughout the navy and the interchange of information with other organisations is necessary for the successful achievement of naval operations and business planning.

However, technology is only the means and not an end in itself. Our aim, as given in CNS's objectives, is to introduce modern information systems to enable better decision making at the strategic, operational and unit level. The challenges here are twofold; to better understand information requirements at all levels of the navy, (in particular at the middle and senior level), and to keep abreast of, and invest in, emerging information technology which can support our needs and provide opportunities to improve processes and decision making.

Some will all be aware of the diverse

nature of information systems within the navy. At one extreme are combat systems where the navy has enjoyed good success in data management, information exchange and engineering standards. At the other end of the spectrum are the information systems which deal with logistics, administration, finance and personnel. The development of these systems has not been as tightly controlled and they consequently suffer from less compatibility and inter-operability.

A serious limitation of our management culture is the lack of hard facts or data, or at least access to data that describes the whole picture of a situation. As CNS has previously stated, the navy needs to become an information oriented organisation; to that end we need to adopt a more quantitative approach to management especially in relation to activity, expenditure and performance monitoring and control. Unfortunately, systems capable of providing timely, accurate and relevant corporate information for management decisions are scarce. This is not just the Navy experience, but a Defence wide problem.

We need to be business driven and not technology driven. This requires:

- . aligning our information systems with corporate objectives,
- . integrating information system strategic planning with corporate planning,
- . developing information systems which cross functional lines,
- . educating management,
- . using information and information technology as change agents, and
- . attracting, training and retaining both civilian and service personnel skilled in planning, operating, and managing information.

Progress in these areas will be incremental. Some initiatives which will aid the process include the continuing improvements to defence management information system, our efforts to develop activity based budgeting and monitoring, the introduction of a common management code and defence information system strategic planning.

Continued improvement through these initiatives will require the consideration and commitment at all levels of management, but especially at the top. Planning for it must be integrated with our developing corporate planning process. This will create a better business focus for it planning.

The Director General Communications and Information Systems will soon begin an information systems strategic planning study, known as Defence Information Systems Strategic Plan, which will provide the framework for the development of its strategic plans within the Defence programs. Navy's derivative, Navy Information Systems Strategic Plan, will guide our information systems developments. As DISSPLAN develops, NISSPLAN will be amended accordingly.

Procurement of systems must be based on cases which clearly support business information needs, or on demonstrable efficiency gains. Whilst office automation undoubtedly has had its benefits and will continue to do so, we need to extend our thinking in this area and pay far more attention to the information analysis, design and communications requirements necessary for effective management information systems.

At the corporate level, the executive decision information support system is being redeveloped to make it a more useful system for executive decision making. DGNCM is currently conducting a corporate wide analysis of Navy's information with a view to providing executive decision information system with a better information base, which will be available to the Chief of Naval Staff Advisory Committee; this will help to drive corporate information requirements from a strategic and program management perspective.

THE NAVY ENVIRONMENT PLAN

The RAN conducts operations in a large number of environmentally sensitive areas. Our activities range from dealing with oil pollution and raw sewage in ships to the management of heritage buildings and flora and fauna in shore establishments.

In the past the RAN often dealt with its environmental responsibilities on a reactive basis without comprehensive policy direction. Increasing public

awareness of environmental issues has meant increased pressure on Navy for us to conduct ourselves in a more environmentally acceptable manner. We needed to take a proactive role with our environmental responsibilities and maintain a "good neighbour" policy, while conducting our operations economically and effectively.



This need has resulted in the development of the Navy Environment Plan (NEP). This will be a total management plan including two key documents - a source manual and a policy manual as well as, training and awareness programs, auditing and monitoring plans, networks of contacts and accords with other groups in government and industry.

The source manual will compile details of all the international and national obligations, State and Federal legislation that have implications for Navy with explanations for the lay person. It will enable Navy to determine its responsibilities and actions subject to these.

The policy manual will detail Navy policy, practices and procedures in every area of environmental concern that Navy faces.

As of April 1992, a two-member project team has been working on the NEP. It is responsible for the implementation of the plan, the production of the policy manual and the subsequent training and awareness programs.

The Attorney-General's office has been employed to assist in developing the source manual.

NAVAL QUALITY MANAGEMENT

1992 saw the continuation of efforts to implement NQM. The approach adopted was

designed to achieve acceptance of the philosophy in the work place. The implementation team expect that NQM implementation will pass through four stages:

- stage one - building an awareness of NQM in our people,
- stage two - generating commitment to the new quality way of doing business - especially among managers,
- stage three - a period when NQM becomes largely self sustaining, when a critical mass of committed people and managers has been achieved, and
- stage four - NQM will be ingrained in the navy culture and the term NQM will fade out.

Progress with NQM implementation has not been uniform across the navy and organisations are generally in either phase one or two of implementation. As might be expected, some units and areas have progressed further than others. One reason for this has been the 10 month period between commencement and completion of awareness seminars and facilitators workshops. Some organisations, through no fault or their own, have been slower to start than others.

In the period since implementation commenced, we have learnt a number of valuable lessons and have modified our implementation plan to incorporate them. Some of the lessons learnt are:

- Firstly, we now know that more resources were needed to ensure successful NQM implementation. Whilst our purse strings are still tight, we have found more resources to assist with our revised implementation strategy.
- Secondly, and this point cannot be overemphasised - management resistance was under estimated. Whilst many approached this initiative with an open mind, some allowed their attitudes to erode the confidence of their facilitators and slowed the building of commitment to the initiative. This attitude was present at all levels of management.

The way ahead for the forthcoming year will be to build management commitment to the initiative. The evidence is there that our people are willing to

give NQM a try - all they need is the leadership to show them the way. A strategy has been developed to help managers lead the NQM implementation, the main features of which include:

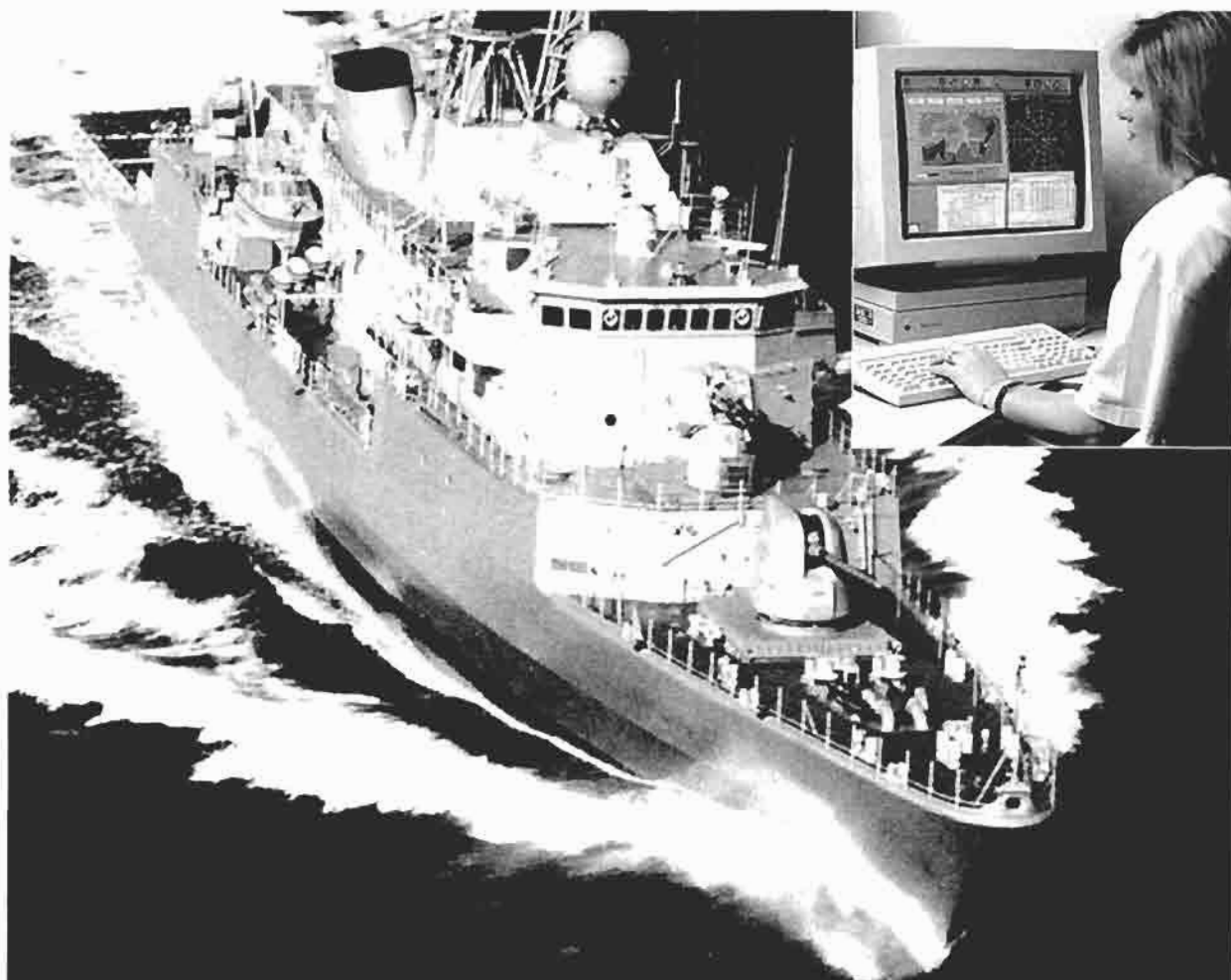
- . The assignment of mobile mentor teams in maritime and support commands. These teams, which joined the commands in August will provide advice and assistance to managers primarily, and conduct awareness and facilitator training.
- . Publication of the Navy Quality

Managers guide, which integrates separate guides on PMB and TQM, explains their linkage, provides advice on role modelling techniques, explains bench-marking policy and provides advice on NQM's incorporation into strategic, management and business plans.

- . Addition of instructional modules on NQM into the full range of general and specialist courses. Inclusion of education in TQM in Australian Defence Force Academy (ADFA) programs.



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EXECUTIVE SUB PROGRAM

Presented by: Rear Admiral R.G. Taylor, AO RAN,
Rear Admiral D.B. Chalmers, AO RAN and
Rear Admiral A.L. Hunt, AO RAN

This series of papers cover the achievements and intentions as they relate to the Executive sub program's objectives. Those objectives, are:

- . at the sub program level - to ensure efficient and effective corporate management of the navy program, and
- . at the policy component level - to ensure navy's corporate structures, system and practices are efficient and effective and - to ensure navy's maritime forces and shore infrastructure are appropriately manned and supported, both operationally and logistically in an efficient and effective manner.

The paper structured along sub program structure lines reflects inputs from the three Navy Office Divisions, Personnel, Materiel and DCNS.

THE PERSONNEL DIVISION

RADM D.B. Chalmers, AO RAN



The functional examination of naval manpower was addressed in the previous paper on corporate issues. It receives further mention in this paper with

respect to resource planning.

FINANCE

Naval personnel division is currently responsible for the management of approximately \$735 million some 52 per cent of the overall Navy budget. Currently, financial guidance for Permanent Naval Force (PNF) salaries is insufficient to fund the authorised average strength, and supplementation of approx \$16.5 million is required from other areas of the navy program. A key challenge facing the Division during 1992, and for 1993, is to develop and implement strategies to reduce the level of supplementation.

A second challenge relates to improving management of PNF strength and associated finances. In the past our strength managers have concentrated very successfully on achieving the authorised average strength for the year. However, to a limited degree this has occurred in isolation from cost. Beginning in Fiscal Year 92/93 strength managers have shifted from an approved average strength target to a financial target. This means that, as they monitor progress through the year and adjust recruiting as necessary, the primary determinant of the level of any adjustment is the available funds. We believe that this change will strengthen the link between manpower and its costs and will cause an increased awareness of resource implications of manpower decisions. This approach will prove particularly helpful in planning across the coming Five Year Development Plan (FYDP).

PERSONNEL COMPUTING SUPPORT

Despite a very small budget, computing support for the personnel function has advanced significantly over the past three years. Between 1989 and 1992:

- . Control of the navy system transferred from the manpower computing centre to Navy - the Naval Personnel and Establishment

Management System (NPEMS) was established as Navy's principal personnel computing system.

- . The PNF, reserves and archival data bases were integrated into a single, fully on-line database.
- . Data purification commenced, as did development of a formal data dictionary.
- . Terminal access to and full functionality of NPEMS was extended to all major shore establishments.
- . A local area network in Navy Office was implemented.
- . The Enhanced Posting System (EPS) was initiated.

Planned activities between 1992 and 1995. The high level design of the services manpower and pay project revealed that the project was not financially viable and may not proceed. In that event we plan to incrementally develop the current NPEMS system. Our objectives include:

- 1993 - full implementation of the Enhanced Posting System (EPS)
 - establishment of an interface with the navpay system
 - integration of medical data onto NPEMS and expansion of terminals into sick bays.
- 1994 - Full redevelopment of NPEMS into the Unix environment.
- 1995 - Full integration of all personnel functions (but specifically training) into the NPEMS system.

THE ENHANCED POSTING SYSTEM.

The closely associated enhanced posting system has been designed as an automated career management system matching billet prerequisites to the qualifications, education, training and experience data held on individuals on NPEMS. It will allow career managers to monitor and control the funding associated with the postings with potential to include course planning.

- . The Enhanced Posting System (EPS) project is being undertaken by the Directorates of Sailor's Career Management, Naval Officers' Postings and Personnel Computing Systems -

Navy. While still in early stages of development, it is anticipated that the system will be 'operational' late 1993.

The EPS is intended to:

- . Allow personal and billet data to be interrogated, so that the information required to make decisions is available to the career manager.
- . Match billet requirements with all personnel satisfying those requirements.
- . Cause more effective manning of RAN units, with any savings being directed to other areas of the Navy program.
- . Provide an ability for the career manager to devote more time to individual aspirations.

TRAINING AND NAVY PROJECTS.

Recently, there has been a heightened awareness of training with Navy projects. Formal training for the trials crew of *Collins* commenced on 7 September 1992.



The Director of Naval Training and Education (DNTE) is responsible for

oversight of project training, and approves project training plans for Navy. The resources devoted to the material cell in the directorate have been increased to facilitate three phases of training input to projects.

Firstly, pre-approval. During the conceptual stage of capability proposals and submissions DNTE identifies training technologies and strategies the tenderers may offer, and provides advice to the sponsor's staff on appropriate funding percentages for training in the Integrated Logistic Support (ILS) component of the proposal.

Secondly, pre-contract. During the projects development of the equipment acquisition strategy and request for tender, DNTE advises on training technologies appropriate to approved level of funding, making the project an 'informed customer' of the tenderers' training proposals. DNTE is also involved with preparing the training requirements section of Request for Tenders and contracts, and in the training component of tender evaluation.

Thirdly, pre-delivery. After the contract is awarded, DNTE assists the project to interpret what training has been contracted. DNTE assists the projects to foresee pitfalls in the contractor's training development and the standard of deliverables, before the contractor is set on a particular strategy or training technology path. DNTE also assists in the practical transition of training matters from the project to COMTRAIN.

It is becoming apparent that, with these recent reorganisational initiatives, the training requirements of navy projects have been positively influenced during their development, and that there is significant awareness of training matters among senior staff in current major projects.

THE SEAMAN CATEGORIES RATIONALISATION STUDY

The Seaman Categories Rationalisation Study (SCRS) was commissioned in January 1992 and completed in September. It provided a blueprint for the future of the seaman sailor branch. Faced with the twin problems of an outdated, inefficient structure and the need to minimum man hi-tech ships, SCRS proposed

radical changes. By creating categories based on functional needs and using multi-skilling, SCRS has reduced 14 categories to 7. No functions are deleted, but more effective means have been found to fulfil them.

In many ways, SCRS has reflected actual work place practice in its new categories, for instance:

- the combat system operator category recognises that the system is now the vital factor in warfare, not individual weapons or sensors, and



- seamanship has remained a fundamental skill while many category drivers, such as medium range gunnery, have declined through automation.

The new branch structure requires significant changes to training. Development activity is now in train for new and revised course packages; most significantly, an intermediate tier of training will be introduced which mirrors the TTR structure. Other initiatives will see streaming by ship, or rather combat system, and by multi-skill.

Although the implementation of SCRS is under way, an instant solution is not expected. The scope and complexity of the task dictate that it will take at least two years. In developing a career structure SCRS has met its objectives. It will provide better training, provide better oriented sailors, and make more effective use of a valuable resource.

CONDITIONS OF SERVICE

In the prevailing industrial and economic climate there has been little opportunity for significant pay initiatives. Having said that, the normal periodic reviews of salary related

allowances have progressed. Without significant alterations to our working environment, and none is foreseen, we will only be able to gain significant adjustments to salary and allowances if we can develop innovative proposals and challenge the traditional bases of the allowances in a way that will satisfy the Defence Force Remuneration Tribunal (DFRT). Most allowances do not appear to present much opportunity for this approach, but others, such as sea going allowance, might. In that case we are considering a proposal for a graduated scale based on years spent in sea billets. If we are eventually successful with SGA, we intend to apply the philosophy to submarine service allowance.

On the pay front the DFRT is investigating the overall ADF pay structure. Issues to be addressed include whether unique employment types are appropriately valued, whether the number and size of movements within and between ranks are appropriate, and whether present pay scales and levels accurately reflect category work value.

This review is not a pay claim, but an effort to refine the pay structure before we embark on enterprise bargaining and productivity based pay claims. There is, the possibility of no change to this structure, but we may receive acknowledgment that change is needed in some areas with a phased program of implementation for those changes.

On a more general note the government is committed to wage fixing by enterprise and productivity bargaining. Whilst you may think this would be difficult to implement in the Defence Force, COSC recently decided that the principles should be applied to ADF pay fixing and have sought cabinet agreement to have them applied slightly differently than to the Australian Public Service (APS). Nevertheless we anticipate putting a case to the DFRT within the next few weeks. While the details are still being sorted out (because of the speed at which this issue is moving) we believe we can confidently aim for a result at least the equal of the recently announced APS agreement, tier 1 of 1.4% in March 93 and 1.5% March 94, and tier 2 of 2% payable on decision by the DFRT.

Many will be aware that we are

investigating whether a skill allowance should be paid to PWOs. If the allowance appears warranted, a case will be put to the DFRT and, if successful, it will be used as a precedent for other groups of officer employment.

In the only other significant development, the conditions of service available to members without family are expected to be broadly aligned with those available to members with family. While the details and rates of charges and allowances are not finalised the major issues are access to removals, disturbance allowance, home purchase and sales expense allowance and splitting of Rations and Quarters.

THE MATERIEL DIVISION

RADM A.L. Hunt, AO RAN



In 1987, the then Minister for Defence, published a policy information paper *The Defence of Australia*. The most significant difference between it and the 1976 white paper, *Australian Defence* was the emphasis placed on self-reliance. The Minister laid down firm guidelines towards self-reliance in the defence and security of Australia, including:

- Australian firms to be prime contractors on major projects and Australian industry involvement to be a major factor in new equipment selection.
- With Australian industry to be

involved more intensely in the support, maintenance and development of Australia's force structure.

The most obvious outcome of this policy has been the rebirth of an Australian warship building industry beginning with the construction of the two FFGs at Williamstown, six *Collins* class submarines in South Australia, and the ten *Anzac* ships.



The Navy is leading Defence in the application of this policy of self reliance. For the first time we have ships, submarines and aircraft systems, while based on northern hemisphere platforms, designed uniquely for the Australian environment and largely being built here.

For most of our history the RAN has had an inventory drawn from identical elements of the British or American force structure. We therefore have been able to rely on engineering standards and supply support processes drawn directly from the larger allied navies. This is no longer the case and our self reliant journey is bringing new and significant challenges to logistic management.

One other lesson from this self reliance stance is the need for a new approach to our relationship with Australian industry. We will always have the responsibility of getting the best value for money with the taxpayers dollar, it is after all our dollar. But this is best achieved by a collaborative approach with industry in partnership. In many areas the nation can afford only one centre of excellence for a particular technology. The nation loses if we force more than one company to invest in such activity but provide sufficient work for only one.

We need to note that since the mid '80s the percentage of defence capital equipment budget spent in Australia has increased from around 35 percent to about 67 percent. The *Anzac* ship and *Collins* submarine will have about 70 percent Australian and New Zealand content. And it can be anticipated this trend will continue with future acquisitions such as the minehunter coastal project.

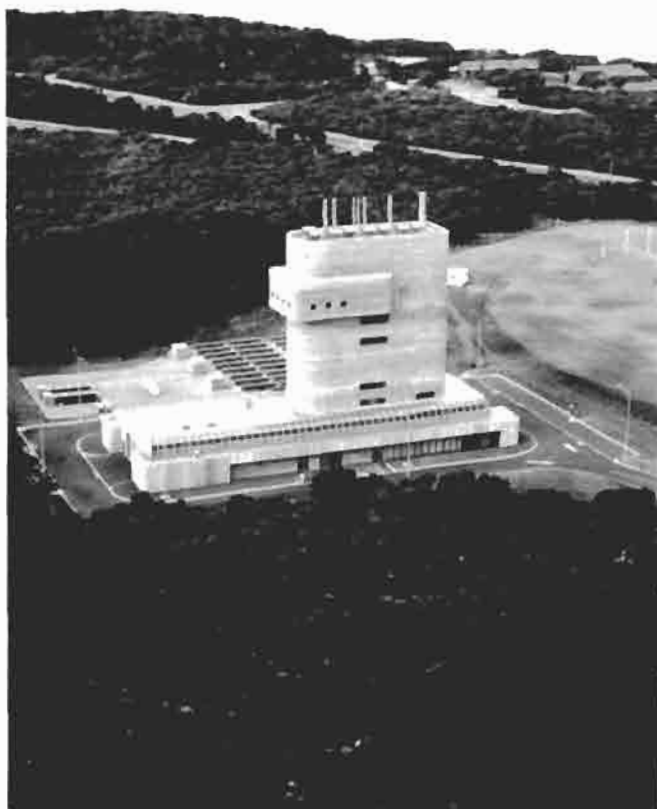
WARSHIP BUILDING AND SELF RELIANCE

In explaining warship building around Australia I have to often remind non-Defence audiences that:

- fabrication comprises only about 10-15 percent of ship construction costs;
- the weapon system integration task is the key issue in schedule and risk terms;
- our major projects are having a dramatic impact on the software and electronics industry and on the way industry does its business - (for example the Australian Submarine Corporation is primarily a project management house which subcontracts about 80 percent of its work;
- these major projects are acting as catalysts for developing ongoing linkages and exposing local industry to international competitiveness;
- technologies developed within the shipbuilding industry have applications in fields beyond maritime engineering, and,
- a significant new task of test and trials of the products is introduced, with its own demands on technology and human resources.

Defence self reliance demands effective organic logistic arrangements and we need to look inwards to ratify our own organisation as well as outwards into private enterprise for the supply of maintenance, repair, adaptation and development of equipment. In the development of through life logistic support proposals for the two new major classes of ships the project offices are exploring novel ways of achieving the required level.

Both projects have proposed the use of logistic support centres which will be tasked to manage the affairs of the respective platforms. In the case of the submarine, the centre will be based at *Stirling* and incorporate the submarine school, the submarine escape training facility, the sound ranges and a new version of SWSC.



The *Anzac* ship project is investigating the development of a support centre in conjunction with the prime contractor, Amecon, perhaps adjacent to the build site at Williamstown.

There are several key issues which relate to the through life support for these ships.

For the submarine these include:

- . the need to use our investment in the current group of contractors for follow on support, and also get used to civilian contractors using Navy workshops;
- . resolution of the transfer of the support resources for submarines from the east to the west; and,
- . making greater use of condition based monitoring rather than our traditional time based maintenance.

For the *Anzac* ship:

- . a unique challenge is that there are management procedures yet to be developed between Australia and New Zealand for joint asset management, and
- . a joint logistics working group has been established to address this issue.

MAJOR PROJECTS

Australian frigate. One of the most important of our current projects has been the Australian frigate project, the construction at Williamstown of two FFG-7 at a cost of about 1.4 Billion dollars. Marking the return of major warship construction, HMAS *Melbourne* was accepted into naval service in late September (just over 20 years since the last destroyer built in Australia).



HMAS *Newcastle* was launched on 21 February 92 with her delivery planned for November next year. We anticipate she will be to the same very high standard of HMAS *Melbourne*.

Submarines. The new submarine project is one of the most challenging engineering activities in the nation's history. In current dollars the value of the project is just under five billion. The keel for the first ship, *Collins*, was laid in February 90; she will be launched in August 1993 and delivered in 1995. Construction of *Farncomb* and *Waller* is progressing to plan and the keel laying ceremony for *Dechaineux* is to occur in March 93. The project remains on schedule and cost, and predicted performance satisfies or exceeds our specified requirement.

Anzac ship. The *Anzac* ship program will

construct eight frigates for Australia based on the German Meko 200 design plus two (with an option for a further two) for New Zealand at a cost of approximately \$4.5 billion. Detailed design is largely complete. The first two modules of O1 are building at Williamstown now, and the combat system integration progressing at Nobeltech South Australia.

A project which has achieved several significant milestones over the last 12 months has been the S-70B-2 helicopter. Commissioned as 816 squadron in July *Seahawk* helicopters are now operating from the FFGs. We gained valuable experience during the Gulf deployments and are now working towards full acceptance into operational service by mid 1994.



LADS. On a very different scale, but also involving leading edge technology, over in Adelaide the LADS project is in its pre-acceptance trials phase. The laser airborne depth sounder is an Australian concept and design which involves firing different coloured lasers at and through the water surface, and by measuring the reflections, providing an extremely accurate depth of water measurement of our continental shelf. Trials results are excellent and the LADS aircraft is scheduled for acceptance into naval service next year.

LOGISTICS AND PREPAREDNESS

There are a number of significant logistic policy issues under development in the ADF and the services. The key policy driver is CDF's Preparedness Directive (CPD92). The defence logistic strategic planning guide stresses that preparedness objectives, that is readiness plus sustainability, must be the focus for determining support requirements. This disciplined policy is

relatively new and the evolving doctrine will fundamentally affect our support of the fleet.

Amongst the logistic issues is the development of an ADF stockholding policy. There is a hierarchy of logistic initiatives and systems being developed and these will contribute to Navy's ability to meet our objectives. A significant challenge is the development of the necessary information systems and tools vital to the success of the new Navy preparedness and stockholding doctrines.

Two important developments gaining momentum with the ADF and integral to the Navmat Division's operation are, life cycle costing and Computer Aided Acquisition and Logistics Support (CALS). Our steps with life cycle costing are still elementary. CALS is a system of standards for transmission of technical information within and between defence and its industrial support structure which will be a regular feature of all future major acquisitions.

Another significant challenge and change to the way logistic business will be conducted is the establishment of the Defence National Storage and Distribution Centre (DNSDC) at Moorebank under the defence logistics redevelopment project. The DNSDC will be fully operational in mid 96, with Zetland available for disposal in March 96. Part of the new philosophy is the location of unique items at operational bases and this will entail, for example, unique air stores being held at NAS Nowra and *Collins* class stores in HMAS Stirling.

Earlier this year, DLS-N prepared a draft navy strategic fuels study that attempted to evaluate the sufficiency of current RAN fuel assets Australia wide with operational requirements under various fleet scenarios. Although it has caused some consternation between the "operators" and the logisticians, it has opened a useful dialogue between us. A revised (and mutually agreeable) strategic fuels policy is being developed.

REVISED MAINTENANCE STRATEGY FOR HMA FLEET

A review of ship maintenance commenced

in September 1991 to investigate the feasibility of reducing fleet maintenance costs. It was found that the current philosophy and associated practices were neither optimised nor cost efficient as they are:

- . dependent on naval dockyard assets and corporate rather than local knowledge;
- . not able to relate maintenance cost to operational readiness; and
- . unable to view manpower, materials and contract labour as a composite resource.

To overcome these difficulties, a revised maintenance philosophy is being developed that will significantly change the way maintenance is viewed, managed and conducted. The philosophy aims to focus more responsibility and authority at the ship level. Essentially, ships' staffs will have greater flexibility in directing the use of resources but it also means that they must meet decreed operational performance standards for the resources provided.

An implementation project has been established to further develop the philosophy and HMAS *Tobruk* is being used as a trial ship.



THE FUTURE

The future provides us with many challenges still to come, but we have a sound and experienced organisation geared up to tackle a range of other important projects now under development:

- . coastal minehunters;
- . oceanographic/hydrographic ships;

- . extending the life of *Fremantle* patrol boats and then,
- . replacing them with locally built offshore patrol vessels next decade;
- . a training and helicopter support ship;
- . utility helicopters for logistic support at sea;
- . a new shore communication facility in the Riverina area;
- . progressive update of the FFG, and
- . preliminary planning for more locally built surface combatants to replace our guided missile destroyers next decade.

CONCLUSION

In conclusion, the government policy of self reliance has driven the navy ahead of the other two services in building our major force structure here in Australia. With increased collaboration between the navy and Australian industry, there are many new challenges.

THE DCNS DIVISION

RADM R.G. Taylor, AO RAN

The Navy Corporate Plan was issued last September, replacing Plan Green. The plan was restructured to better suit the PMB environment. There has been some shift in outlook beyond the FYDP in the plan and it now includes more comprehensive information on the overall planning environment; drawing directly from the defence corporate plan and the ten year development plan. There are two particular improvements to the plan:

- . First, the Navy Corporate Plan is classified restricted. It should thus become a much better known and more widely read document than its predecessor and a more effective instrument for corporate management.
- . Secondly, the plan now contains a section on Navy priorities, providing general guidance on broad priorities for allocation of resources - an increasingly more important and visible management imperative than in the past.

I believe our corporate, strategic and business planning documents are steadily getting better. They are looking more like the coherent set of plans which are desirable under PMB although there is still room for further development.

Admiral Chalmers has dealt with management of manpower but I would like to comment from a resource point of view. Navy management of manpower resources faces a double challenge in the coming years:

- . The force structure review, together with the Defence Logistic Redevelopment Project, Defence Regional Support Review, Commercial Support Program and Supply System Redevelopment Project require Navy to reduce manpower levels by about 1000 service personnel (about 6½%) and 650 civilians (13%) by the turn of the century.
- . At the same time Navy is committed to manning the new ships and equipment entering service during the decade. On present calculations this will require approximately 580 additional service personnel and 150 additional civilians net of existing planned offsets such as the decommissioning of the remaining Des, Oberons, Seakings, Moresby and Flinders.

ACTIVITY BASED BUDGETING

This is a logical flow-on from PMB, and it aims to improve resource allocation decision making. Essentially bids will need to be based and justified on planned and approved activities which clearly support Navy's objectives and corporate plans. The Maritime Command has already begun a pilot program for activity based budgeting and a team has been formed in Navy Office to more clearly define the options for its implementation Navy wide. It is intended that activity based budgeting be used for all bids within the Navy program from the October 1993 AE/FYDP round.

On the emotional issue of cash limited administrative expenses (or CLAE), it can only be said that since the introduction of PMB, allocations to the sub programs have been based on the historical break-up of the funds in the appropriation. At the direction of Navpec, the Navy CLAE allocations were

recently reviewed. While the outcome has not required a readjustment of the CLAE allocations, there is now a better understanding on the basis for existing allocations, against which bids for changing requirements will be more clearly identifiable. There is to be ongoing review of CLAE in the context of activity based budgeting.

FRAUD CONTROL & AWARENESS

This has been given considerable visibility throughout the navy recently. It is a defence and government wide activity which will continue to impact on our resource management work procedures. The Navy Fraud Control Plan, to be finalised this month, will describe Navy program strategies to address some recently identified imbalances between our levels of risk and fraud control measures. This is not to say we are too lax: the campaign is against excessive control too - one example being Navy's over control in our procedures for use and management of the Australian Government credit card.

At last year's Naval Symposium I recall noting that general awareness of navy financial resource management was poor. So, a program of one day financial resource management acquaint courses for Navy middle managers was undertaken, taking in most major Navy centres and establishments. This has so far addressed 900 attendees. It is intended that this acquaint course will continue to be held regularly in the Canberra area for new arrivals to Navy Office and occasionally, as required, in the regions.

NAVAL POLICY AND WARFARE BRANCH

The objective of this branch of the DCNS Division is:

- . To contribute to the development of policy, plans, capabilities and infrastructure such that our maritime forces and shore infrastructure are appropriately manned and properly supported.

The NPW Branch was created in August 1991 from three branches formed at the time of the Sanderson Review (late 89). Those 3 branches; Naval Warfare (including C3), Submarines Security & Intelligence (including EW & IS) and Naval Policy, became 4 directorates.

The structure was reviewed in August 1992 and the result was a pruning from 131 to 71, that is 34 in Canberra and 37 in Sydney. The new and much leaner NPW organisation in Canberra consists of two largely unchanged directorates - Naval Policy and Submarine Policy and Warfare - but with a Naval Warfare Directorate reduced to 5 people to broker information and represent us in committee. The responsibilities of the old directorates are being devolved to two new organisations; Chief Staff Officer (Intelligence) and Directorate Minor Project Development and Operational Policy. In addition the Director of Security - Navy has remained largely unchanged, but will now be responsible to the Support Commander rather than DCNS.

Despite the reorganisation, achievements throughout the year against the policy development component objective include:

The 76mm gun. The capital equipment process successfully acquired a surplus RN 76mm gun for West Head gunnery range. This was commissioned on 16 November having been offered to us in June 1991 and is another example of the speed with which minor equipment can be obtained if the money is available.

Scuba (air). The first 50 sets were delivered in October with another 370 to come.



Diving regulations. Major changes have been completed to bring them in line with occupational health and safety regulations. Also, a new reserve diving policy has been written and is currently being staffed.

NPW Branch (DDPOL) has coordinated Navy's input to force expansion study over the last 12 months. This study as

you have heard previously is an attempt to determine choke points in mobilisation for conflict. The NPW branch has also provided a great deal of assistance to Malaysia in preparing for frigate and submarine projects.

With regard to the Anzac ship the man machine interface specification was accepted by the project after a two year development. The Anzac combat system tactical operational requirements document was completed in March 1992.

The policy and warfare branch has also been involved in setting up the RAN fuse working group, to determine the way ahead for RAN 5 inch ammunition fusing and fuse role selection and in arranging low frequency active sonar trials for next year.

THE MARITIME STUDIES PROGRAM

The objective of this program is to achieve a greater awareness within the RAN and the Australian community of maritime strategic issues and the need for seapower in the defence of Australia. Current areas of research and study interest include:

- . regional maritime strategic developments,
- . the peacetime utility of naval forces,
- . maritime confidence and security building measures,
- . multi-national naval cooperation, and
- . the concept of Australian maritime power.

There is an active publishing programme of research and study papers; with articles appearing in many journals. During the next twelve months it is planned to conduct a programme of lectures on maritime strategic topics in all capital cities. Additionally, a programme of half day seminars on contemporary maritime strategic issues for officers and senior sailors to be held in all major RAN establishments is planned during the coming year.

A junior officers study period is scheduled to be held at HMAS Creswell from 15-26 March 1993 to increase awareness of maritime strategy and regional issues. DGMSF also conducts the

unit "Seapower and Australia's Security" in the Master of Defence Studies at ADFA during the first semester of each academic year, and MSP staff participate regularly in seminars for honours and post graduate students at Australian universities.

NAVAL SCIENCE

One of the objectives of the DCNS Division is to provide advice on the application of appropriate science and technology to support navy policy and operations. This advice is provided by the Navy Scientific Adviser Branch, which also supports navy and the Defence Science and Technology Organisation (DSTO) in defining, seeking approval and monitoring navy sponsored research and development (R&D) tasks. At present approximately eighteen percent (18%) of the DSTO expenditure is employed in support of Navy, representing a total value of about \$36 million per year. The breakdown among the other defence programs is 17% Airforce, 5% Army, 6% ADF, 46% Science & Technology (S&T), 2% industry and 6% other. Outside the DSTO, the navy is the largest user of the S&T resource within the department.

From October 1991 to October 1992 the number of Navy and HQADF sponsored tasks has increased by 27% from 108 to 137, with the NSA branch responsible, in part, for this increase. The breakdown of these sponsored tasks within the navy program is 79% in the executive sub program, 6% in the combat force sub program and 3% in logistics support, with DGFD (sea) in HQADF accounting for the remaining 12%. Within the executive sub program the number of sponsored tasks is approximately equally divided between ACMAT-N and DGNPW.

In the coming year the branch will continue to increase the number and improve the effectiveness of the Navy sponsored tasks carried out within the DSTO, and through the research and development requirements committee provide guidance on future R&D requirements.

In conclusion, I think you will see that 1992 has been a very busy year for the executive sub program, as it has been for Navy as a whole.





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COMBAT FORCES SUB PROGRAM

SHAREHOLDERS REPORT

Presented by: Commodore C.A. Barrie, RAN

Each year at the Naval Symposium, Maritime Command presentations have focussed on the activities that the navy has been conducting all round Australia and offshore, in more distant ports such as S.E. Asia and the S.W. Pacific, and occasionally in even more distant parts of the world.

The defence corporate plan to shows us the objectives we have to fulfil. In the first instance the RAN's program objective is:

- . to provide maritime forces capable of:
- . conducting effective maritime operations in the pursuit of Australia's security interests using both regular and reserve forces, and
- . expanding in a timely manner against warning of more substantial conflict.

In achieving these objectives the Maritime Command, through the Fleet, has a key role to play because that is our cutting edge, and the most obvious proof-of-value for every naval dollar spent.

As good corporate planners I am sure you will all appreciate that these objectives are supported by a number of key outcome and performance indicators. In addition, the allocation of resources directly influences our ability to conduct maritime activities and we should carefully consider how Navy distributes its resources.

Looking at Navy's key outcomes and performance indicators we can see how these affect maritime command. The first outcome concerns the conduct of effective maritime operations and the associated performance indicator is the provision of naval combat forces at the levels of capability required to meet the degrees of operational readiness and sustainability specified in CDF's preparedness directive.

Our operational commitments and tasking are drawn mainly from CDF's directive. The most recent issue saw a shift in



Rear Admiral R.A.K. Walls, AO RAN
Maritime Commander, Australia

focus from operational readiness to preparedness. As some of you may know we are tasked to provide maritime capabilities available for operational use at certain lead times. By and large we were able to meet these commitments but there are qualifications, particularly in those areas where Destroyer Escort's cannot fully contribute for example; and because we do not have enough submarines available.

THE SEA TRAINING GROUP



The Sea Training Group has been exceedingly busy. In this period we have raised 7 RAN and 1 RNZN major fleet units to the minimum level of operational capability, while two RAN ships were raised to the operational level of capability for Operation Damask.

Seairiding and exercise management have

been additional commitments for Commodore Flotillas and staff. Major command efforts were made in *Rimpac 92* and *Valiant Usher 92*. In the future we will be carefully examining the impact of the reduced fleet fuel allowance on a whole range of our operational tasking and fleet commitments.

EXERCISE PROGRAM

The next performance indicator is the conduct of effective maritime operations by assessment of the structured exercises programmed for each financial year.

We have conducted an extremely busy exercise program over the period. For the staffs involved I think we were fully extended with not much scope for increasing this commitment.

Major exercises conducted were:

. Lungfish 91	25 Nov-03 Dec 91
. Dugong 92-1	08 Dec-14 Dec 91
. Kangaroo 92	08 Mar-03 Apr 92
. Expanded Sea	30 Mar-10 Apr 92
. FCP 92-1	30 Mar-16 Apr 92
. Coral Sea 92	21 Apr-01 May 92
. Tasman Link	26 Jun-01 Jun 92
. Rimpac 92	19 Jun-31 Jul 92

and in the current fiscal year 92/93:

- . Starfish 92
- . AusThai
- . IADS
- . Valiant Usher
- . Dugong 92-2
- . Patrolex, and
- . Swift Eagle 92.

This work load has probably meant that we could do more in reviewing what we learn from conducting our exercises and applying lessons learned, testing improved procedures and modifying equipment before we are embroiled in the next exercise. However we need to keep in mind the valuable experiences every exercise provides for our seagoing personnel.

PATROL BOAT OPERATIONS

There is also the conduct of effective maritime operations by continued patrol boat surveillance which contributes to the surface surveillance of Australia's maritime approaches and Australia's fishing zone through patrol and intercept operations.



Our patrol boat force contributes significantly to our national tasks. Our national surveillance commitment of 1800 patrol boat days is maintained to support customs, quarantine and fisheries objectives in addition to normal patrol and response requirements. Surveillance operations are focussed in the north and north east of the continent. We boarded about 250 fishing vessels, and subsequently apprehended 17. Patrol boats have also made contributions to other national objectives, such as the exercise program in S.E. Asia and in the S.W. Pacific, as well as providing aid to the civil community.

OVERSEAS DEPLOYMENTS

The next performance indicator is the conduct of effective maritime operations by deployments to Southeast Asia and the Southwest Pacific in support of Australia's defence policy.

For many of our personnel these days the attraction of visits overseas are obvious. One strand of our present defence policy encompasses actions which seek to encourage dialogue with countries in our region and a range of defence cooperation measures. Over the period covered by this report seven countries in S.E. Asia were visited by 15 ships. Countries included Brunei, Hong Kong, Indonesia, Malaysia, Philippines, Singapore and Thailand. Ships also visited Japan, India and South Korea. Furthermore positive efforts are being made to spread our interest over a number of ports whenever possible. We maintained a nearly constant presence in S.E. Asia.

Efforts were also made in the S.W. Pacific to maintain Australian



commitments there, despite difficulties in the Solomons and Vanuatu. It is clear that certain Governments have viewed the prospect of an RAN ship visit as a means of signalling positively, concerns to the Australian Government.

In the current year our performance will not be so good. Pressures in the resources allocated, particularly in the fleet fuel allowance have led to substantial reductions in our plans for presence in S.E. Asia due to costs.

The second outcome concerns the further rationalisation and restructuring of naval forces and associated key performance indicators such as the successful integration of the Australian Naval Reserve (ANR) component into the permanent naval forces.

We have heard much about the integration of reserves into the Regular Navy over the past year. The integration process has proved somewhat problematic for us although I believe we are getting on top of the problem. We should not forget that integration of reserves is easier ashore in supporting or administrative billets. It is most difficult when we address seagoing reserves, acknowledging that the great bulk of reserves in fact are associated with this Command, that is some 1,200 people out of about of two thousand.

We formed a 'Process Action Team' to address our specific requirements in the sea going context. Our objective is to use reserves integration as a means of improving the operational availability (initially of minor war vessels) by reducing the time lost in leave periods. For example we have already deployed a

reserve Commanding Officer HMAS Tarakan in Exercise Swift Eagle 92, so it can be done.

But the main problem is in qualifying and certifying reserve personnel to conduct operational activities - thus we do not see much justification for continuing to expend resources in vessels which are not operationally useful for example, the 2 Attack Class "attached training vessels".



NEW EQUIPMENT

There is also the introduction into navy of major new equipment which contributes to the navy's force development. There has been the operational acceptance of additional *Seahawk* helicopters and the achievement of the required operational standards for the new FFG's, *Anzac* ships and *Collins* submarines as assessed through operational readiness evaluations.

In getting new equipment into service most of you will remember the superb photograph of HMAS Melbourne's SMI firing during sea qualification trials. I am pleased to report that Melbourne is now a fully fledged fleet unit having achieved a successful result at her operational readiness evaluation.

We also commissioned HS816 squadron into service and welcome the famous name to the new aircraft. At present we are headed towards acceptance into operational service in mid 1993 but there is quite a long way to go yet.

On a less positive note it was disappointing to find our mine warfare

program has suffered from the ineffectiveness of *Gunandaal* and difficulties in getting some of the other required vessels going. Without much doubt we need to focus on our methods and procedures if the acquisition of second hand vessels is to be a worthwhile venture.

HYDROGRAPHY AND OCEANOGRAPHY

In the completion of the annual program of hydrographic survey, nautical charting and oceanographic survey, and the utility of environmental services, our surveying activities have centred around Arnhem Land, Esperance Gulf, the Coral Sea, Halifax Bay and North West Island as well as North East Papua New Guinea and Antarctica. At the same time the team in the Hydrographic Office at North Sydney have not been idle. We have produced 13 new charts and other supporting charts as well as generating over \$1m on chart sales.



Other major initiatives include plans and preparations for the transfer of the Hydrographer to Wollongong, the transfer of the Australian Oceanographic Data Centre to Maritime Headquarters and the setting to work of the laser airborne depth sounding equipment. Regrettably oceanography did not attract much support during this period because of resource constraints. Its not that we do not think oceanography is important but simply that our funding is not sufficient.

NAVAL QUALITY MANAGEMENT

With the acceptance and implementation of NQM throughout the Navy the year has seen a major commitment to combining the principles of total quality management with the efficiency of the PMB system

under Navy Quality Management. In our Headquarters a dynamic team has been able to address a number of important though small projects with considerable success in areas like international mail, signal traffic for alongside ships and registry management.

We have underway, at present, two major NQM initiatives to determine the proper structure and way ahead for the Ranges and Assessing Unit, and Commander Test and Evaluation. It is expected that these projects will conclude by March 1993.

At sea results have been mixed, but there is a body of opinion which suggests that there is less scope in ships to achieve the same significant runs on the board that we do ashore where our organisations and work practices are unique. We have also welcomed our NQM mentor team to the fray. They have been very busy since coming to us a couple a months ago.

UNITED NATIONS OPERATIONS

Finally, there is the provision of surface combatants in support of the United Nations resolution on Iraq and the extent to which deployed naval forces contribute successfully to the United Nations operations.



Many of us in the Command have played significant parts in supporting Australia's contributions to the United Nations actions against Iraq. Late in 1991 HMAS *Sydney* was deployed and was then relieved by HMAS *Darwin* in February 1992 and the focus of our deployment shifted to the northern Red Sea. *Darwin* returned to Australia in August 1992 and then a gap occurred until HMAS *Canberra* arrived in November 1992. There has been a gradual build up in the workload for

the deployed ships as *Darwin's* recent experience proves. During the 4.5 months of her deployment she conducted 262 boardings which led to the diversion of ten vessels. The RAN's contribution has earned the respect of other participating navies, with special acknowledgment of our performance being given by US Secretary of Defence Dick Cheney during his visit to Australia in April/May 1992.

CONCLUSION

In conclusion I should emphasise that it has not been possible in the short time available to cover all aspects of our activities. Suffice to say that I am certain that if you read the Maritime Command Annual Report for 1992 you will appreciate that we have been extremely busy since we last met in this forum.





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NAVAL SUPPORT COMMAND

Rear Admiral D.G. Holthouse, AO RAN

Naval Support Commander



This series of presentations is about communicating the Support Command's vision not about where it has been or where it is at but about communicating where it is going. They identify firstly, key issues, particularly those that affect the Command's customer and ultimately how the sub program managers intend to attack those issues in the years ahead.

The Command's vision to 1996 embraces the principles of NQM. This is not a Pavlovian response to the Chief of Naval Staff's imperative. We believe in NQM because we see all around us the Program Management and Budgeting (PM&B) benefits of devolution of financial responsibility and accountability, and because the total quality management benefits from identifying our customers needs, eliminating customerless activity and benefiting from the knowledge of the participating process worked are ineluctable.

The first important element of our vision is that it will further sharpen our focus on customer requirements, within the higher corporate objectives of Defence and Navy. We have to get closer to our main customer, the Maritime Commander, by identifying better with his priorities for the

allocation of resources. We still have difficulty with this. Both Commands need to get better at defining precisely which systems or force elements have priority and how to turn this into meaningful sensible logistics priorities.

Our generally healthy attitude to quality management, needs careful management, to take it from adolescence to maturity. This means more investment in training; which is something Navy has not been good at. History suggests that there is inertia to cultural change; we are looking for opportunities to accelerate change without disillusioning staff.

All elements of the Command have been directed to achieve accreditation to appropriate Australian standards for quality. We have to do a few runs on the board RSNS - Adelaide and Balmoral Naval Hospital but I am confident of several more in the coming year.

Our first generation sub component and element level business plans are fair and will be improved upon as we come to grips with the finer point of PM&B and activity based budgeting. The need to satisfy lodger units will accelerate this process. The benefits include better tracking and reporting of our achievements but we require better definition by our Navy Office customers of their information needs, so that we do not waste effort in developing the wrong information systems. The recent decision to make EDIS a better corporate management information system is welcome.

On the point of lodger units, this concept is a key element of the Command's national character which is set to blossom in 1993. The new Command and Control arrangements should eliminate much of the past blurring of management responsibility but above all is the philosophy that the Fleet exists to fight and we exist to support the Fleet.

Part of that support is individual

training but, as many know, Training spins off as a separate sub program on 1 July 1993. I recall expressing a contrary view at the 1991 Naval Symposium, but the world keeps turning. It may well be that the separation will further sharpen Navy's focus on training at a time when close management of change is vital and that would be a real plus. In any case, there will be little impact on the remaining elements of the Command, due to the training component's present largely autonomous nature.

The chief benefit of disestablishing Area Commands is closer alignment of the PM&B structure with command and control lines and, I believe, facilitating devolution and delegation to CO's from the Headquarters staff. There will always be some arbitrary management divisions in large and complex organisations like Navy.

I see close customer-supplier partnering relationships developing in the bases and training establishments. These relationships involve each working with the other to achieve program priorities and there should be no apprehension that there will be other than one class of customer.

Perhaps the greatest challenge for us this decade will be the new support philosophies for the *Collins*, *Anzac* and *Seahawk*. Our logistic systems and procedures in particular will need significant change, as will our approach to maintenance and repair. In pursuit of the government's goal of Defence self reliance we find ourselves for the first time the parent Navy for many class unique systems.

We cannot delay on these critical support issues. There is a need to accelerate planning and development of the necessary systems and procedures through joint Project and Support Command initiatives. The concept of the *Anzac* Support Centre is a good first step in building the momentum. This will be covered further in the Chief of Logistics (COLOG) presentation.

Money resources are scarce and getting worse, and people as well as activities and infrastructure cost heaps. The issue for me is to get my Commanders and their subordinates to think corporately and frugally; and to develop and manage their budgets coherently and visibly.

For this, phasing is important.

Delegation, will allow for more contact time by Headquarters staff; advice and audit rather than hands on management and of course, training.

PERSONNEL AND ADMINISTRATION

CDRE M.B. Forrest, RAN

Chief of Staff

This presentation addresses just some of the very diverse issues facing the Personnel Administration and Support Services Branch of the Command Headquarters.

A major resource, essential to our support role is our civilian manpower, in respect of whom a 93 million dollar budget has been allocated this year. This represents 3250 civilians across the professional, technical, physical and clerical categories. The budget is to reduce by 15 percent or more over the Five Year Defence Program (FYDP), the equivalent of four hundred and seventy three people.

The dollars for Civilian Salaries are now managed by sub programs, with managers, at all levels, personally responsible and accountable for achieving objectives, within their assigned dollars.

At the 1991 Naval Symposium we talked about a recruitment freeze in the Command to align personnel numbers with the reduced salary dollars. The freeze, which has existed for some eighteen months, is achieving its prime objective, but it has inevitably distorted employment profiles throughout the Command. We have a dearth of PHDs and an abundance of gardeners.

To overcome these imbalances, and to achieve greater future productivity, we have recently undertaken a billet prioritisation exercise, whereby functions have been assigned in importance rating relative to their contribution to the achievement of Naval Support Command goals and objectives. Billets are to filled or not, according to their priority. Full consultation with unions has been necessary and useful, albeit a sometimes frustrating

part of this process.

The restructuring of our manpower base will not just happen; management and our staff must work together. We are consulting with individuals and their associations, and we are placing a lot of emphasis on retraining as a precursor to any redeployment. The responsibility for identifying and ensuring that civilian staff receive this training rests with local managers.

We do have some dollars, for external commercial training, but not enough. We will rely heavily on in house training, Navy and the Regional Defence Centre, to meet our needs; needs which are made more demanding by Government initiatives such as the implementation of the Structural Efficiency Principles, the Occupational Health and Safety Act and Enterprise Bargaining.

In our management of these issues, we intend to continue a program of selective recruitment, staffing high priority positions only, and to retrain existing staff where appropriate. When all other options are unsuccessfully exhausted, redundancy packages may be considered.

Our civilians are essential to the achievement of Navy goals and objectives. The correct management of this resource includes the development of civilian personnel to ensure their skills and experience are at the appropriate level, category and location.

In his opening remarks, Admiral Holthouse mentioned both devolution, and the Command's increasingly national focus. Both of these issues are reflected in our assuming the management of support craft Australia wide. New acquisitions, maintenance, allocations and disposals will be controlled by the Command with most functions performed by the Platform Manager Surface Ships, assisted by the Master Attendant. As both the largest single user of support craft, and in his intended role as the National Port Services Officer, this is a logical function for the Master Attendant. We take on responsibility for around 700 RAN support craft.

Many will be aware of our first foray into this task - the calling of a census on support craft, asking for the provision of justification for support

craft holdings, their rate of usage, whether there is a commercial alternative, the emergent maintenance costs and an indication of their drop dead date. We don't know how much we spend on support craft, but COLOG and I have little doubt it is more than we should.

The Master Attendant's organisation also provides a fine example of productivity improvement following work place bargaining. Five years ago, that branch consisted of 91 personnel and managers had to contend with no fewer than five Waterfront Unions. Today, after restructuring, the Branch consists of 74 people belonging to only two Unions. It is envisaged that by years' end, both of these, the Firemens and Deckhands Union and the Merchant Service Guild will be amalgamated with the Seaman's Union of Australia.



Manning reductions to date have been achieved by natural attrition and the recruitment freeze. In order to achieve further reductions, and to be competitive with commercial organisations, our option will involve further restructuring. The Merchant Service Guild and Firemen and Deckhands Unions have been invited to join management in developing the in house bid.

The workplace bargaining strategies have been identified, and they include these:

- . part time work;
- . flexible meal times, and hours of work;
- . training;
- . less constrained tasking and overtime arrangements; and

. job redesign.

A work force reduced to 50 by 1994/95 should be the outcome. These initiatives mirror those already being achieved elsewhere on the Sydney waterfront.

On the question of the management of facilities, which, like logistics, has recently devolved to the Command as a national responsibility, the news is good. The progress that has been made in repairs and maintenance and minor new works since PM&B was introduced has, Australia wide, been very encouraging.

There will never be enough money for all our needs, and we still have some corners to clean out. Nevertheless, and despite our poor start, with a hasty transfer of responsibilities and funds from Navy Office, and that Navy has few dedicated and trained facilities personnel, much has been done.

Establishments can be well pleased with their achievements; the benefits of all the hard work required to surmount the steep learning curves experienced both in the Headquarters and at the establishment level and the rewards of much self help are clearly visible. There is much to learn. Again in 1992 we and our establishment shave failed to come to grips with the peculiarities of facilities commitment and expenditure, and so are way behind in our phasings. This does not give credibility to the confidence we have in our ability to manage the facilities dollar - we must do better.

We are moving to develop five year works programs at each Establishment, thereby to devolve more, and give Commanding Officers much greater control of their own destiny in this important area.

Two major facilities issues for the future are management arrangements for Garden Island assets and the relocation of the Naval Support Command Headquarters to Pyrmont. A master plan has been formulated for Garden Island and facilities and accommodation there, and this complements a lease recently signed by Defence and Australian Defence Industries (ADI). The master plan aims to separate Navy and ADI as far as possible: to consolidate Navy and its operations close to the Fleet Base and to make more effective use of the dockyard facilities allocated to Navy. Navy will control the Fitting Out Wharf,

and the West Dock Wall is being considered as a possible site for East Coast Collins Class submarine berths. A liaison committee has been formed between ADI, NSC and the Maritime command, to oversee the day to day operations of the lease.

Many elements of the Command will move during the current FYDP. Headquarters is presently in the Remington Centre. We will move into a refurbished Royal Edward Victualling Yard (REVY) in 1994. Some elements of the Logistics Branch will move to the Defence National Storage and Distribution Centre, at Moorebank. The Armaments Logistic Office will move closer to Kingswood and Newington, and the Hydrographic Office heads for Wollongong. Altogether some 2 000 personnel will be on the move between now and 1997.



The project to refurbish REVY Buildings 1 and 2 at Pyrmont as the new Support command Headquarters, is well underway. The recycling of these two heritage listed buildings will enable us to consolidate the Headquarters in an historical environment whilst saving us a lot of money on lease costs. We are consulting with the Australian Heritage Commission, and retaining much of the original fittings and features.

All these changes give us an opportunity to ensure that the functional areas within the Command are located where they are best able to service their customers, for efficient operations into the 21st Century.

The largest resource consuming issue is that of single living out accommodation, particularly in Sydney. After allocations of all available, and suitable, on base accommodation, including a refurbished Endeavour House and Lady Gowrie House, there remain about 400 single or unaccompanied people, who need accommodation. Currently they are accommodated on living out allowance at enormous cost. Elsewhere, in Darwin and Cairns, good initiatives have been developed or implemented to achieve increased excellent quality living in accommodation. In Sydney, it has been decided, under Commercial Support Program principles, to investigate the viability of a commercial organisation providing and managing sufficient suitable furnished, off-base accommodation to virtually eliminate current 'private' LOA situations. We have called for tenders, and expect to get underway early in 1993.

The management of the Commercial Support Program (CSP), for us in Naval Support Command is key issue. It is not a new concept, but its acceptance by staff has been mixed and is still grudging in some areas. There is certainly some concern, and we must turn this around. There are very significant benefits to be gained as a result of this process; even if we do not go to commercial contract, activities in house will almost certainly be more efficient and cost effective than before.

The sensitivities of industrial relations continue to be of paramount importance, but we have been encouraged by the generally positive approach by our own employees.

We must ensure that our standards are maintained - operational effectiveness, safety and conditions of service. As well as recognising the demands of sea/shore ratios and rank/category structures, we must take account of the impact of CSP on other activities, such as our continuing ability to support commercial commitments and aid to the civil community. We need to retain suitable billets to ensure personnel are employed in category relevant activities whilst ashore, and that appropriate training is available, or indeed, demand that the contractor provides training if the commercial option wins the day.

We acknowledge that CSP will be com-

plicated, and the process is placing immense demands on already busy people; but progress with the simpler activities such as catering and base support are progressing well. We will have to develop new relationships with our contractors and involve them in close partnership to ensure a common goal.

LOGISTICS

CDRE D. York, RAN

Chief of Logistics

At the 1991 Naval Symposium we highlighted the imminent integration of the former Engineering Support and Material Support Branches of the Naval Support Command (NSC) into one logistics branch. It did happen, on 16 December 1991, and we now have five logistics sub components. This new way of doing business has settled down well and the blended engineering and material support disciplines are providing much improved services and outcomes to the customer, and providing logistics solutions for operational capability support.

The integration has not been easy on the personnel front. A moratorium on any further command-initiated major changes for a period of 12 months was agreed with unions and staff associations. The 12 month period is nearing its end, but already all the 3000 positions in the logistics branch have been attributed to their new elements. They have been prioritised one through four to designate their contributions to meeting our customers' needs. In 1993 we intend to dovetail the program self evaluation, and our review of the new organisation after its first twelve months of operation, with the CNS functional manpower review. Whilst the Chief of Staff has already covered the command-wide prioritisation initiative, in logistics branch we found that defence's civil personnel computer data base, Civilprism, was not up to the task of supporting our positions review. We had to develop a second computer data base and this is being expanded to provide the command with a better basis for determining the optimum personnel distribution to provide outcomes.

The remainder of this presentation covers particular issues relating to the five logistics sub components and detail

our solution in each case. These issues, however, are not all that keep us busy, but they are important and indicative examples of how we prepare to meet our future obligations. Innovation sometimes means changing the peg and its shape, and other times, the hole, in order to provide effective fit for better logistics support.

The Naval Support Commander has mentioned the vital area of project transitional support arrangements. This is especially important for the *Collins* and *Anzac* class platforms, and for their future logistics support management within the Ships Logistics Office. At issue is the need for early advice of how these new classes are to be supported in our future "self reliance" modus operandi. This advice must be coherent, and make the support by blending engineering, maintenance, material, and training into an overall logistics support strategy. Yet by December 1992, the decisions on the support policy are yet to be made and publicised.

Provision of the solution of course is not this Command's initiative, but there has been and must continue to be Command involvement. The course we have embarked on has several features. Firstly, we keep close contact with both the projects; in fact, we have a submariner Captain from the project collocated with the Branch to facilitate the *Collins* class transition, and a Commander, based in Adelaide, is coming onboard as his project responsibilities reduce, and Command tasks increase. The draft proposal for the *Anzac* ship support centre is now available and is being circulated in the Command. The Centre has our support in principle.

Secondly, capacity to support the *Collins* class has been included in the HMAS *Stirling* warehouse design brief. The Western Australia based FFG needs have also been factored in. In order to provide storage space at Zetland for spares supplied by these new projects, we are exploiting our inventory optimisation strategy to its fullest, including front-end screening, re-utilisation and retail level disposal programmes.

For the east coast, we have included a notional volume in the navy's future storage requirements at Moorebank for

support of the *Anzac* class, as well as reserve capacity for any special *Collins* class items. In summary we have identified some major future needs; we still have concern that the support road for these two important projects is not fully mapped.

An issue perhaps not as big, but still a very important part of the logistics support function is that of test equipment. At issue is the need to revise Navy's management of test equipment post devolution. Because today, the provision of calibrated test equipment to the customer is not optimum and it consumes excessive funding. There are several pertinent questions: Do ships have to appropriate outfits? Are the present outfits the most economical and effective means to undertake the necessary testing? and what are the optimum stock levels for Navy's test equipment?

To assist in providing the answers we are forming a test and monitoring system management centre. This centre, which is the result of a combined Maritime Command, Navy Office and Naval Support Command study, will manage all test equipment requiring calibration---except automatic test equipment---and is to become operational this financial year. The centre will centrally coordinate the rationalisation of holdings, and the repair and calibration of test equipment. This element of the Ships Logistics Office will be located in Sydney, close to the sharp end, and its tasking is to review and limit the holdings to only those test equipments required, and raise the in-calibration level of customers' test equipment to 100%---a target that has rarely been approached. To man the centre we have to transfer or recruit people.

On the subject of the General Logistics Office, it is worth noting that the logistics branch of Naval Support Command has been a truly national organisation, providing engineering, maintenance and support with people Australia-wide, with the exceptions of the state of Tasmania and the Northern Territory, this logistics office is the provider of regionally based engineering support. The Support Commander has noted earlier that one regional element,

RSNES-Adelaide, has been accredited to quality standard AS 3902. There is a long way to go elsewhere in the quality

accreditation field, and it is taking too long.

An issue, within the general logistics office, which is responsible for Navy's current logistics computing systems, is its responsibility for ensuring that Naval Support Command's requirements are included in the Standard Defence Supply System (SDSS). This has major ramifications for the navy and the way we do our business.

Defence's Supply Systems redevelopment project (which is to provide the solution), has been around for a long time, and the navy's present main logistics computer systems have laboured on, with necessary enhancements restricted, because of its impending, yet seemingly illusory, replacement. The navy's requirements for SDSS have been forcibly stated but much remains to be done. Our solution is being pursued by working in close collaboration with ACMAT-N's Directorate of Logistics Systems Development. We are providing advice based on our current systems and work practices expertise to those preparing Navy's system specifications. While we consider that the integrated MIMS software system is viable, our systems functionality must still be provided. The functionality requirements are beyond that provided by the commercial software and necessitate some customisation of the MIMS software. A major task for us therefore is to continue to press the essentiality of customising the MIMS software. Time frames are tight and the justifying of customisation is tough, but we do not shrink from another opportunity to achieve the best level of logistics support for the navy.

Another issue in the general logistics office was a need to improve our position in relation to Foreign Military Sales (FMS) cases and maintain a comprehensive management of our FMS dealings as we move toward greater self reliance. The solution was to send a USN-experienced material manager to the United States, one who knew his way around the FMS black holes. This initiative resulted in the purging of over 12,000 invalid dues-in from the RAN's Navstok system. The benefit from this purging of the bogus dues-in is both improved stock control records and a firm basis for future requirements determination calculations by materiel

managers.

Also during the visit to the US, the important issue of continued support through to life of type for the RAN'S DDGs was progressed. These ships pay off in the USN next year and a way ahead for common equipments that are no longer supported by the USN, is being actively determined. Our development of a consolidated configuration status record will also materially assist in ensuring the proper support of equipments in these platforms. More work is required on the DDG support question, particularly the funding aspects, to ensure their ongoing support.



With respect to the Naval Aircraft Logistics Office (NALO), the office was reviewed earlier this year and the findings were documented in the Bailey report. The implementation of that report's recommendations was deferred when the Naval Support Commander successfully presented to CNS a proposed strategy of self evaluation, using NQM principles. What we recognised was that a solution was not going to be achieved by examining and reexamining NALO activities in North Sydney. The big issue is that covering all naval aviation, including Canberra (where policy is made), and NAS Nowra (where operations and maintenance are undertaken) and it is not clearly--nor unambiguously stated in present documentation. This self evaluation strategy at NALO is well underway, and CNS' NQM mentor team is being utilised. An extensive facilitator and awareness training programme has been implemented. A customer quality perception survey was conducted, and process action teams,

with customer involvement, have been formed. The office is the first element of the Logistics Branch to commence a self evaluation of this magnitude and the first to fully apply the principles of NQM in such a situation. It must work, if it does not, Navy's continuing control of aviation logistics must be called into question.

Another important issue for the aviation office is the recent decision to extend the life of type for the *Seaking* aircraft. The *Seaking* was a closing chapter in Australian naval aviation history. The logistics support has been adjusted downwards, including rejection of self reliance possibilities, but it has been given another last minute stay of execution the solution has been to reopen the hangar doors, and make bids for extra flying hours and extended life support and maintenance. These bids were factored into our additional estimates but the funding is to be found from within the sub-program by detecting lower level activities, and this of course means we have to stretch the dollars even further.

In the area of logistics plans, development and coordination, work relating to "quality assurance" and contracting have been progressed. The issue is the problem of not being able to provide documented evidence of quality with items from store. This shortfall leads to extensive preflight testing and inspection of items, particularly for submarines. This problem arises from the past where there had been inadequate specification of Quality Assurance (QA) requirements in procurement orders, and presently from a lack of data and computer system flexibility to allow the proper management of stock to meet customers stated expectations. This encompasses preservation and packaging, storage under correct conditions, and the application of shelf life criteria, all of which are necessary if product deterioration is to be prevented.

The solution is development of a system which will provide the necessary quality evidence, and the new system is presently undergoing trial at NSC Zetland. If feasible, the system will have inventory wide application for all nominated items. This new way ahead has even attracted interest at the tri-service logistics and Support Commanders' meet-

ing held earlier this year. Our branch work on the "ADF preparedness requirements" also flows from my logistics plans, development and coordination sub-component.

Not so much an issue, but an imperative, is the premise that the outcomes of navy's logistics activities must support our operational capability. The annual report of the Combat Forces sub program gave you a very good view of the range and depth of operational capability which we must support successfully. The new CDF preparedness directive stipulates the timings allowed to achieve the operational levels of capability for certain platforms. Inherently, resource allocation decisions must flow directly from preparedness needs---simple some might think, but be assured, it is a complex issue.

Our strategy, developed in concert with Maritime Command, requires the identification of all the processes that link preparedness to the logistics support resources; and involves the educating of our people to adopt those processes. Additionally, there is a need for objective reporting of logistics performance, the development of skills in the formulating of resource bids, and the management of expenditure at the force element level, these are recognised as cornerstones in the successful implementation of the directive. Stockholding policies which identify and direct the acquisition of reserve stockholdings also need to be developed and implemented. Development of the solution to best meet the requirements of the directive is ongoing.

In my final sub component, the Armament Logistics Office, we have firstly, issues relating to the provision of an intermediate maintenance activity for the mark 48 torpedoes and Encapsulated Harpoon Certification and Training Vehicle (EHCTV) in support of the new submarines. At issue is the best and most cost effective way of providing maintenance support for these weapons when the submarines are deployed to Western Australia.

A solution derived from studies to date is, the relocation of both the mark 48 torpedo and the EHCTV intermediate maintenance activities to Western Australia. This relocation can produce

savings but the full recovery of all the costs associated with the move might have to wait until the year 2005. The subject is with the submarine project for further development.

An Armament issue of equal, if not greater importance, is the need to efficiently provide ammunition storage and resupply capabilities in support of the east coast operational activities. The Sydney ammunition pipeline has inefficient practices. The advanced age of facilities at RANAD Newington are absorbing maintenance funds and a \$7 million injection of keep-it-going funding is being considered. Newington being the potential site for the Year 2000 Olympic Games is another factor in this equation.

The solution is to relocate armament activities away from urban pressures, and the need to obtain sufficient land to contain safety quantity distances. Also, capital investment in new design and more efficient facilities can provide savings in operating resources. Many studies, surveys, etc have been completed, with Jervis Bay remaining the preferred site, but we can go no further without direction at Government level. In our Command, we are improving our consciousness of the customer---all is not perfect, but improvements are being sought and found. I have not covered other important issues, such as, submarine refitting, maintenance reviews and the management of depot level maintenance. Solutions for these and other key issues will occupy us for 1993 and beyond to improve logistics support within finite resources.

The Logistics Branch of the Naval Support Command is now fundamentally changed for better effect, we fully embrace and are actively applying the principles of Navy Quality Management to improve our processes, with customer involvement at many levels. Ways to better link resources to preparedness are being examined and refined. We are changing our systems and the training and development of our personnel to contribute to improved outcomes and deliverables. Forums, such as the two field Commanders' logistics planning group which has active Maritime Command participation, are being used to bring problems to solution. With much confidence, I say the customer and supplier are on the same wave. Training

is vital in improving our lot.

TRAINING

CDRE G.A. Moreton, RAN

Commodore Training

INTRODUCTION

The changes that have occurred over the last year within the navy have had a significant effect on the training world. Not just in terms of new training requirements, which bring their inherent challenges, but also in terms of the structure of the organisation that manages that training.

The first, and perhaps key issue, facing us is the implementation of the decision to form a Training Command at sub program level. To those outside the navy program, this means that we are coming into line with the army and air force and it will provide the opportunity for direct comparisons to be made between the services with regard to expenditure on training, as the national training sub program will have separate visibility in things such as budget explanatory notes.

Within Navy, the formation of the national Training Command will heighten the training profile further. Over the next few months much work will be done on developing and promulgating the sub program financial structure, as well as refining the lodger unit concept.

The Training Command will be output oriented and the Support Command will be responsible for the provision of all the support services we the trainers will need to carry out our operations.

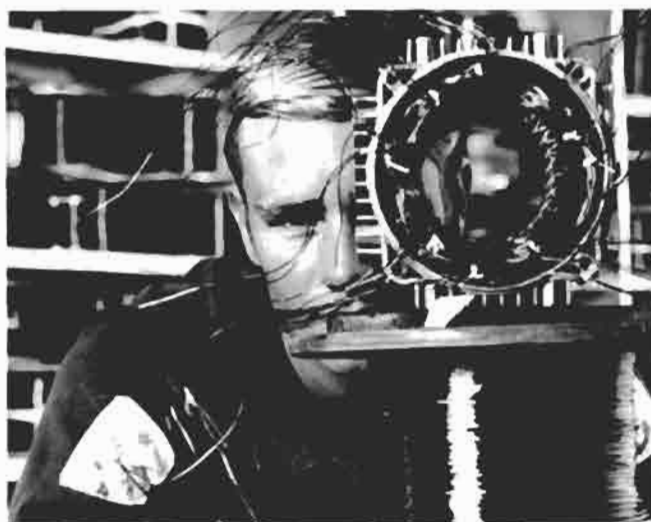
Putting these changes in place at the same time as we manage the very significant training changes now in train, will keep my very small headquarters staff on their toes for the next 12 months.

TECHNICAL TRAINING

Navy technical training is in the process of undergoing major revision brought about by:

- tri-service training rationalisation,

- . the decision to close *Nirimba*, and
- . the refinement of *Sailstruc* as a consequence of the *Perrett* study.



The technical training plan 1992 (TTP'92) represents the total mechanism for the restructuring of Marine Technical (MT), Electrical Technical (ET) and Air Technical (AT) training.

ET AND MT TRAINING

Revised ET and MT training will be implemented in July 1993. In the case of these two specialisations:

- . Initial Technical Training (ITT), which is, the component of training that prepares a sailor for his/her first sea billet, will be conducted at HMAS *Cerberus*.
- . Engineering application courses will be provided to sailors as the final component of ITT.
- . It is intended to contract industry providers, close to fleet bases, to conduct advanced technical training.

Training needed to align currently trained sailors to TTP'92, will commence in the Sydney and Rockingham areas in the first half of 1993.

Air Technician training is in the process of being rationalised across the three services and will be conducted in a tri-service environment at RAAF Wagga. The first newly developed course will commence at Wagga in April 1993.

All technical training will be conducted in accordance with national training board competency standards, with all

levels of training receiving the appropriate civil accreditation.

REPATRIATION OF US TRAINING

We have devoted considerable effort towards developing a programme to implement the initiative to repatriate as much training as possible from the USA.

The initial concept was directed towards FFG's but this was expanded to include DDG's, as a result of the reduced availability of DDG training from USN sources. The development process has involved considerable discussion and negotiation with many affected areas including functional directorates, Maritime and Support Command staff, Australian Embassy personnel in the US, and importantly USN training personnel. From the outset the USN has provided the highest levels of support for the initiative.

It is fair to say that not everyone is comfortable with this initiative, however, we are now making progress and repatriated US training courses will commence in early 1993 and by the end of that year we should have conducted a significant number of courses here.

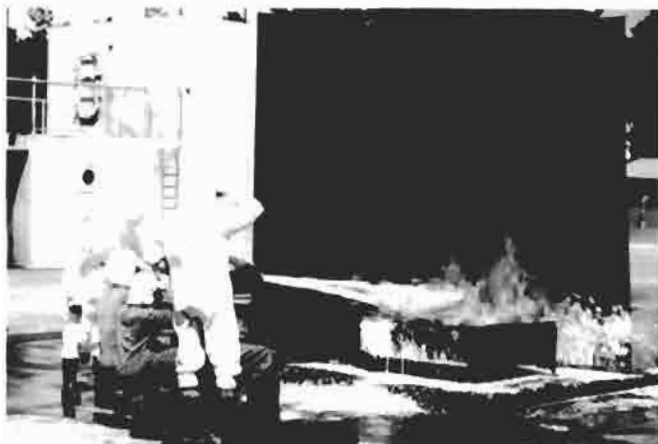
SAILORS MANAGEMENT TRAINING

The future of management training for sailors in the RAN has come under close scrutiny as a result of the Project *Mainstay* report. *Mainstay* identified that skills in communication, leadership and task management are required all the way through the rank spectrum, and therefore more training was required throughout a sailor's career. The proposed management training profile is designed to provide a through life, leadership, communications, management and staff skills, program for sailors. The profile of each rank's responsibilities and employment guide lines has been used to select the appropriate subjects and develop them to the required depth. For example, the senior sailors advanced staff skills course will include subjects such as maritime strategy/policy, defence organisation, public service organisation and naval corporate planning. In line with the identified responsibilities of all managers, modules on occupational health and safety, and NQM, will be included in courses at all rank levels.

This hierarchical approach is designed to provide the appropriate knowledge required for the respective employment of each rank at the right time in a sailor's career.

NBCD FACILITIES

The provision of facilities to support NBCD and fire fighting training has been the subject of considerable attention over the last 2 years, much progress has now been achieved with the rejuvenation of the damage control and fire fighting units at HMAS *Cerberus*. The time is now right to commence rationalisation and upgrading of the remaining RAN facilities. As all recruits entering the RAN will do so at HMAS *Cerberus*, the NBCD facility there will pick up the greatest training load and should become the centre of excellence for NBCD.



The damage control training unit at HMAS *Penguin* has just about reached the end of its useful life and, we now have an opportunity to rationalise NSW area training facilities at a common location, at HMAS *Creswell*. We are currently studying the best way to do this and will be implementing changes early next year. Owing to the environmental sensitivity of the Jervis Bay area investigations are being carried out into the use of clean burning LPG as a fuel for fire fighting training.

While the units at HMAS *Stirling* are physically smaller than those at HMAS *Cerberus*, this facility will be able to undertake billet pre-requisite and continuation training and this will allow us to reduce the travel related costs previously associated with this training.

RESERVE INTEGRATION - PHASE 3

A complete review of reserve training is now underway. All authorities and establishments managing part time members have been tasked with identifying the training requirements of their reserves. All training will be task related, meet the requirements of specific billets and be based on relevant modules of PNF courses available from the RAN course program. Future recruiting will be requirement based, drawing ideally on already trained civilians. A data base which equates civilian trade qualifications or professions to navy needs is being developed.

The mechanism for the calculation of costs involved in the provision of reserve training will need to be carefully developed as this will be important if we are to keep proper track of the resource implications of these changes. This review is planned for completion in March 1993.

SEAMAN CATEGORIES RATIONALISATION STUDY (SCRS)

The adoption of the recommendation of the SCRS will require some significant changes to the way in which seaman training will be delivered. We will move from a two tier training structure to a three tier system. This will comprise:

- . basic courses (NBCD, seamanship and category) for seaman*;
- . intermediate courses (leadership, seamanship and category) for senior Able Seaman as a promotion prerequisite for Leading Seaman; and
- . advanced courses (NBCD, management and staff skills and category) for Leading Seaman as a promotion prerequisite for Petty Officer.

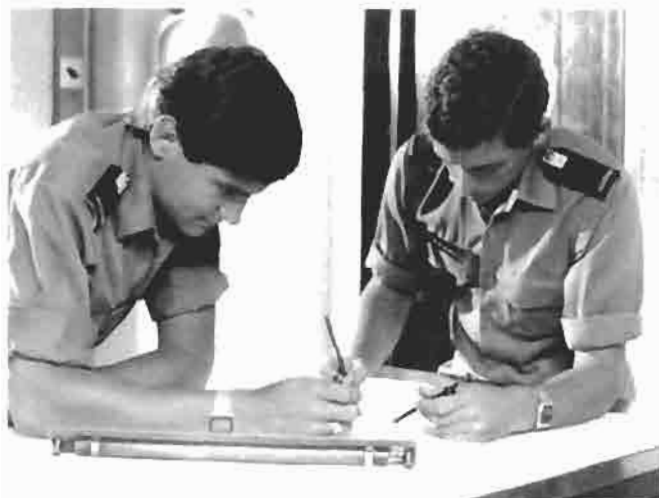
This core training will be complimented by a range of equipment application courses. Some of the past training inefficiencies, for example the training of gunnery fire control personnel in the operation of all systems in service with the fleet, will not be perpetuated.

The training development workload to support this new structure is substantial. We anticipate that 43 category

and equipment application courses will have to be developed in less than two years.

SEAMAN OFFICERS APPLICATION COURSE (SEAAC)

Earlier this year all four phases of SEAAC were validated. The validation indicated that the training regime is producing bridge watch-keepers of the required standard though there is scope for some fine tuning of the course programme. Over the years there has been a decline in the number of sea training bunks available for junior officers. This has not been matched by a decline in the number of junior officers required to obtain Bridge Watch-keeping Certificates. This matter has been further complicated by the reduction in fleet steaming time.



Commencing next year, changes will be made to smooth the peaks and troughs in trainee numbers in the fleet and optimise the available bunks:

- . SEAAC will commence at four monthly intervals with a maximum of 30 trainees on each course.
- . Phase two will be conducted exclusively in Destroyer Escorts with the trainees living in mess deck accommodation.

EVALUATION

While all these initiatives and activities are going ahead we have been acutely conscious of the need to maintain standards. Our small number of validation personnel have worked hard catching up on years of neglect. However, the results of their work do not give cause

for alarm. Generally our training is considered to be sound with only fine tuning being necessary. The continued interaction with COMFLOT has ensured that the views of the fleet continue to be a major factor in training decision making.

The process of training inspections has also shown that generally schools are achieving a sound product. Of course improvements can be made, and that is to be expected because of the short employment record of many of our trainers.

As a result of a successful training NQM based strategic planning workshop in June 1992, several initiatives have been taken by the training units. These initiatives essentially involve a major review of how they do business, challenging work practices that do not add value and introducing those that will. I have been pleased with the commitment of all trainers to this process and I am sure the results will allow more improvements to be made, particularly in the area of developing and processing course documentation.

ANZAC SHIP



The Anzac ships will demand of the RAN a greater level of training self sufficiency than has ever been the case with earlier classes of surface combatants. For the first time we are acquiring a vessel tailored to our own requirements. We do not have the benefit of a 'parent' navy upon which we can rely for training support. Some equipment is in service with other navies, some are not. Some training is available overseas, some is not. Nowhere in the world is the mix of systems and equipment we are acquiring integrated in the one hull.

In the short term the contractor will be able to meet his obligation to train the crews of the first two ships by using equipment destined for later ships. The project is investigating the options available to ensure the RAN is able to adequately train personnel for the third and subsequent ships. As the authority that will assume responsibility from the project for follow-on Anzac ship training, COMTRAIN is vitally concerned to see the satisfactory resolution of this issue.

COLLINS SUBMARINE

The *Collins* class submarines will introduce new challenges for training and it will be necessary to cross some of the traditional boundaries of branch and category employment and to train personnel more fully ashore before they join their boat.

A programme of technical cross training for MT/ET personnel has been instituted at HMAS *Cerberus*. In addition the submarine project is funding new technology training at TAFE before handing personnel to the contractor for *Collins* class conversion training.



The new submarine school at HMAS *Stirling* will be operated by the contractor until the beginning of 1996 when it will be handed over to the navy. How we will operate the school after this date has not been decided. The options are full contractor staffing, full uniformed staffing or something between.

Space has not permitted me to address all the issues that confront us in the training world. Others that are

demanding our attention include, revision of CO/XO design training, foreign officers warfare training, tri-service rationalisation, improved single service training for ADFA students, provision of training on PM&B, NQM, DEFMIS, and business planning, the list could go on and on.

In summary the national training organisation continues to be reactive to the clients needs. Over the last 2 years a heck of a lot has changed for the better - we have taken a lot of ground and slaughtered a few sacred cows - but there is much more to do - the national training organisation will keep its eyes focused on providing the quality product the fleet requires and deserves.

CONCLUSION

RADM D.G. Holthouse, AO RAN

In concluding the Naval Support Command presentation, I can really go no further than to suggest that the question of resources is the paramount issue. We are already under pressure and things will not get easier. The shutdown of Cockatoo Island Dockyard and the transfer of *Oberon* refitting to ADI-NED, two ocean basing, the *Anzac* and *Collins* projects and the introduction of the *S70-B* aircraft have all added demands upon our limited resources. Projects that have been under funded add pressure on operating costs and at the program level Navy has had to look at reducing activity levels to accommodate these pressures.

The government decision to reduce guidance by 0.5% annually, starting next year, will ensure that management remains hard nosed. As I noted at the beginning of our presentation, we need good managers and better management and operating systems. DEFMIS phase two is presently being introduced into the Command and should provide good support for resource managers. There is a heavy training cost, however.

I have also raised the importance of relevant and realistic strategic and business plans. Their development is more difficult in practice than in theory, but we remain undaunted and expect eventually to quantify our tasks

in terms of the matching resources required.

Division 231 funds, presently \$16 million worth per annum, have been diverted to support PNF salaries with an inevitable impact on Fleet support and a consequential reduction in Fleet activity. We need to recover this situation, at least in the medium term.

As a result of recent reviews and in the face of union role-playing we have taken steps to reduce civilian staffing levels, and this will continue across the FYDP. We will have enough people to do what needs doing but they are not all in the right places, and getting them there is painfully slow.

We understand how and why it happens but we take issue with the incremental drain on our expenditure allocations caused by the devolution of functions from Navy Office, without accompanying funding. As with under funding of projects the effect is further inroads into operating costs.

I said at the 1991 Naval Symposium that we welcome change. We know that good managers create change as an essential ingredient of doing better. We are doing better, but we have got further to go.

Of course organisational changes usually lead to changed needs for training, both service and civilian and in the present environment of change, the trainers are on overload. Whilst acknowledging the merits of the RANTTS, we have not the time to be pedantic. Work-arounds will let us accelerate the training development processes and we can formalise later.

Our colleagues in the Fleet worry about us bending their ships (or systems) when we use their RAP models as training aids. We will be very careful. Trust me!

We have got to change customer perceptions of how well we support the Fleet Air Arm. We have to get more value from the maintenance dollar we spend on ship and submarine repair, especially at Garden Island (east). We are looking again at planned maintenance.

We simply have to link costs to activities if our budget bids are going to continue to withstand scrutiny and we

can not do that alone, it is a programme wide matter.

We have a large facilities portfolio and it needs rationalisation, and we need more help. The thinking has been done but full implementation will take more money than we have got just now. As caretakers of some 13 000 important naval artefacts, we are very keen to get an ADF museums policy in place. We have done our thinking here too, and await the outcome anxiously. At the element level in facilities management, we have got to plan longer term and our goal is a five year program for minor works.

Commercial support program activities in the Command have generated heat but the prognosis is positive. With firm management the projected savings can be achieved but there will be a sorely needed morale boost when an in-house option is seen to get up, somewhere.

Our bottom line is that we spend \$863m a year inclusive of salaries, 62% of Navy's total outlay - and we have got to be seen, by our masters and by our customers alike, to be getting and giving value for the money.

That said, I must tell you that my management team is doing well: if this were not so, we would have collapsed under the fast-track devolution burden long ago. However, we recognise the need for leadership as well as management, and we know how to distinguish leadership. Good leaders can be relied upon to hold ground, great leaders capture it. We are in the business of capturing ground and there is much to be done yet.



NAVAL SYMPOSIUM CLOSING ADDRESS

Vice Admiral I.D.G. MacDougall, AO RAN

A great deal of ground was covered at the Naval Symposium. The 1992 Symposium was a departure from those of previous years. In following its theme of management, it tried to incorporate those principles of NQM which require everyone to have an input into improvement of the organisation. It also invited sub program managers to report on achievements as measured against objectives and intentions. I suspect this approach will be a growth industry in the years to come.

From the points which emerged during the Symposium, it was clear that the major difficulty confronting the 1991 symposium remained - we are seeing a navy which is in a severe financial squeeze and that is not about to change for the better. We should, however, view this as a challenge as I believe that with innovative and efficient management and leadership we will find solutions to our basic financial problems. We are committed to our journey of self reliance and to improving the lot of our people. To achieve both of these objectives and maintain operational effectiveness, however, means that we must cut the waste and nugatory effort from our programs and put increasingly valuable resources to more useful effect.

In outcome terms, 1992 was a good year. Navy participated in three major exercises - *Rimpac*, *Kangaroo 92* and *Starfish* - while also fulfilling its obligations throughout the region and supporting the UN blockade against Iraq in the Red Sea. We have met all the tasks set us by Government and that is a significant achievement of which we can all be justly proud.

It would also be remiss of me not to address the recent Cabinet decision that homosexuality is no longer to be dealt with specifically in Defence Instructions. As you would all be aware, Cabinet has decided that ADF policies should apply equally to all members irrespective of their sexual preference.

I know that many have expressed concern about this matter, however, in the opinion of the Government, these

concerns were outweighed by the undoubted personal hardship the policy caused for those members of the ADF who are homosexual or whose homosexual conduct is kept entirely outside the Defence environment. It is the ADF's duty of course to put into effect the decision of the Government, and I must say that it was one that I believe was inevitable.

While our new policy is non-discriminatory, it is not a blank cheque for members to behave in any manner they wish. The new policy balances the right of members to personal privacy against the ADF's need, in order to maintain its operational effectiveness, to place limits on the sexual behaviour in which its members are permitted to engage.

In short, the ADF's unacceptable sexual behaviour policy makes it clear that members are required to behave in a way which will not adversely affect group cohesion, morale or discipline, or bring discredit upon the ADF or otherwise adversely affect operational effectiveness. The new policy treats all sexual offences in an even-handed manner. Any sort of sexual offence, such as sexual assault or sexual harassment, or other unwelcome sexual conduct, whether heterosexual or homosexual, will be subject to criminal, disciplinary or administrative consequences, as appropriate.

In addition, Navy will implement a more comprehensive non-fraternisation policy, with the new environment in mind. This policy bans all sexual behaviour between members onboard RAN vessels as well as in the workplace in RAN establishments. Also members are prohibited from engaging in sexual behaviour while on duty.

These requirements, I believe, strike a balance between the individual rights and privacy of members and their duty to ensure their behaviour contributes to the maintenance of group cohesion, morale and operational effectiveness. The policy also meets the ADF's and Navy's obligation to remain in touch with the values and the standards of the society of which we are part. I am

confident that, with prudent and sensitive handling, there will in time develop a broad understanding and accep-

tance of the new policy among those groups that have traditionally opposed such a change.

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NEW ZEALAND CHAPTER

THE FUTURE OF THE ROYAL NEW ZEALAND NAVY

Address by: Rear Admiral I.A. Hunter, Chief of Naval Staff, to the inaugural meeting of the NZ Chapter of the Australia Naval Institute HMNZS PHILOMEL, Thursday 3 December 1992

I was very tempted when looking at the topic that I was given, to say 'The future of the RNZN is absolutely great' and sit down, leaving it to you. However, I am quite sure that would not do. First of all I would like to say tonight that the views I express are entirely my own, they are not the views of the CDF nor necessarily the position that I may actually adopt as CNS when dealing with particular issues!

I thought that I would like to be courageous, in the sense perhaps that Sir Humphrey uses the word when talking to Jim Hacker, and be a bit provocative and put some comment forward which might provoke some of you to perhaps either correct me or take issue with some of the things I might say. When one starts thinking or talking about the future, it is essential to know where you have come from. In that sense Henry Ford had it wrong when he said history was bunk. In looking at where the RNZN has come from (and here I am perhaps taking an indicative view of history rather than a definitive one because I am sure there are plenty here who might correct my perception of events) you can divide the period since World War II into five phases:

The first, for the sake of selecting dates, was 1946-49, the period of the creation of the post-war navy, then there was a period of more or less a steady state which lasted perhaps to 1959 then from 1960-65 we saw another period of change where I think there were two things that happened.

We had the change of technology as we replaced the cruiser and the *Loch* class ships with *Otago*, *Taranaki* and the subsequent *Leanders* and when also the navy developed its own particular NZ ethos from what had previously been an organisation very much dominated not only by RN tradition and practice but in many cases by RN officers and Senior

Rates. Then again we went through a period of really steady state that lasted until the late 80s. Now I know that many of you who with me went through that period would say "But it was not steady, there were some very turbulent times". But if you look at those events, which at the time may have seemed quite dramatic then, in a sense of how they actually affected the shape of the navy, then the answer is that they did not very much. They were, if you like, deviations or aberrations on a curve but they did not alter the basic line of the curve.

And now we are into another period of change which I say is going to end hopefully in 1997 when the decision is made to get two more *Anzacs* and then again we shall be in a steady-state situation. Now it is interesting that this period of change we are in now is being driven if you like by the same sorts of factors that drove the last period of change. And that was essentially technology.

We are going through two forms of technological change at the moment; there is the change in the fleet obviously in the form of the *Anzac* ships but also in the shift from the electro-mechanical analogue equipment of the original *Leanders* and to all the digital equipment that has been retro fitted. That change is accompanied by a massive change again generated by information technology that changes the whole way we do business in a financial and administrative sense. To a large degree the sort of financial reform that has occurred in government and flowed on to Defence and the Navy could not have occurred without the technology to handle the information.

So what I am suggesting to you is that real change in the navy is generated by technology change and is technology driven, rather than by ministers,

budget, geopolitical or strategic circumstance, and it is also driven by social demographic issues which relate to the nature of the people that are in the navy and that is changing too. We now have a lot more women and I suggest to you that we are going to have more of them.

Now, having said that if you look backwards the change has been generated by these factors, what are the other factors that will generate change that are perhaps different? Because we simply cannot just extrapolate the past and assume that we are going to have a nice neat pattern. And I would suggest there are probably three different issues.

The first is that in the different political parties in NZ we now have totally different perceptions of foreign and defence policy. In the past that very different perception of foreign and defence policy did not exist to the same degree. It was there in the rhetoric at times but not really in the substance. We saw the first manifestation of it in substance in the Labour Government of 1984. If the statements issued by the Labour Party and the Alliance actually do represent policy statements as opposed to statements purely directed towards the electorate in Wellington Central for the by election, then we do have the situation where there is a great divergence between the parties in defence and foreign policies.

The second one is the Closer Defence Relationship (CDR) with Australia. Again in the past, closer defence relationships were something that was talked about. It is one of those sorts of things that are "wouldn't it be a good thing if" ... to other comments which are far less polite about it! We are now faced with the situation where CDR is actually a reality. It is happening. We now have across the New Zealand Defence Force, 137 discrete activities involving coordination with Australia to a greater or lesser extent. To one end of the scale you have got the Anzac ships, you have got 2 Squadron based at Nowra, down to sorts of very trivial matters of even trying to rationalise branch badges for musicians!

I would suggest that CDR is very important to us because if we have a change of government CDR probably represents a very good insurance policy

against what one might term "political excess". Therefore to me it seems a good premium to pay. Because there is a premium to pay for CDR, because we all know that you do not actually get something for nothing in the real world. CDR means having to swallow pride - and most of us can do that - it means having to do things perhaps in a way that we would regard as being less than the optimum - and we can also live with that but it also means probably spending money in a way that we would perhaps prefer not to - now that is getting much more difficult and it also means engaging in activities which perhaps do not represent, from our perspective, the optimum utilisation of resources - ship and aircraft time, deployments and things like that.

But if that is the price for staying in business in the way that we believe we should, then it is a very small one.

The third item I put into this category was the ANZUS rift. On reflection, I am not sure about that. Whether it is something that will make lasting or fundamental change, or whether it is just an aberration remains to be seen. Since I put it down I have come to the conclusion that it is actually something which one would regard as an aberration rather than something which will actually generate any fundamental changes in the service for the future. That may be an interesting point for people to debate.

So if you look at that, what does this mean for the navy of the future? The navy consists of two elements - the Force structure (the ships and the shore supporting structure) and the people - and not just the people physically, but the people in the sense of their ethos attitudes, and the way the navy does business.

Looking first at Force structure. The Force structure is going to stay the same. And it is interesting that if you look at this over the years, the Force structure has not actually changed very much. The changes to the structure have largely been those which I mentioned before which have been caused by technology. They have not been driven by White Papers (as much as people might perhaps like to think so) and the reason I would suggest that the Force structure has simply changed to represent the

technology of the times is that it is simply founded on things which either do not or cannot be changed, like geography or are issues like demography or economic circumstance which change only slowly. NZ is not going to be a very wealthy country (despite what some of our politicians might try to tell us) so that we are never going to have large amounts of money to spend on anything - and certainly not on Defence. So it is important I think, that the Force structure must remain rooted in things which are relatively immutable; which are not subject to political whim; which are enduring. In that way stability is assured.

So for those reasons I see a continuum in the present Force structure. I am sure we will get a Military Sealift Ship. The main item of discussion is whether we will get a new ship or a second hand one. Whether we get it next month, in three months or six months time or in 1994 is a matter of priority for resources. The political will to obtain it I believe is there. It is simply a matter of timing it to maximise the political benefit. My belief is that if we can present them with a scenario that will enable a ship painted grey to steam up Wellington Harbour around about October next year at a cost of less than \$50 million ... we shall have a military sealift ship. If we cannot present them with that scenario, then we shall not have a military sealift ship for sometime. That may be seen as a very cynical viewpoint but that is my perception of it - a point that is not totally agreed with some of my staff because there is a down-side to that ... you cannot actually have the sort of ship that you may perhaps like if you are going to do that.

The other change to the force structure, if you are looking past the next 10 years, is that I believe we shall get some form of OPV in addition to what we have now. The role is there and the economics will drive it. It is simply nonsensical to think in terms of sending Anzac ships around sub-Antarctic islands and things like that. The utilisation requirements of our other ships will drive us to needing a vessel to pick up some of the civil tasks currently undertaken by frigates. If my successors are skilful they will ensure that ship comes to the navy rather than to some other organisation.

What about the changes in the structure of the navy? And it is here that I believe that a much more dramatic future is ahead of us. The present branch, trade, rank structure which has stood us so well, is simply not sustainable in the technological environment of tomorrow's navy. Let us have no illusions about that. We have got to change. We are probably, in managing that change, behind the ball-game now.

We have to look at the skills needed to operate the Anzac ships, and if we base it on our present structure we find ourselves in the ludicrous situation of having CPO's watch-keeping as the sensor operator because in today's structure that is where the skills to operate the equipment to that level lie. So you end up with a ship full of chiefs and no indians. So we have simply got to change so that the sensor operator with the appropriate skills is not a CPO but an Able whatever. This means quite obviously a complete restructure of your branch and skill levels. It will mean new branches, new titles and some of the old branches will disappear.

It is no different in the technical branches. Why should the person who is sitting in front of a computer keyboard with a suite of Visual Display Unit displays controlling the main propulsion system be able to file a metal edge correctly, weld, use a lathe or anything else requiring trade skills? I can see no valid reason for machinery operators having any technical trade skills whatsoever. What they have got to have, however, is very significant system knowledge, and this applies right across both the propulsion and combat systems area. The days of the hardware specialist and the separate software systems specialist are gone. We have to have systems engineers who have to both understand and have an in depth knowledge of the hardware of the system and the software system. So we are talking about a new sort of professional engineer.

That does not mean however, that we do not need people in ships who can weld, wield hammers and cold chisels, or use a lathe properly. We will, and we shall have them, but what I am saying to you is that they do not have to be the same people who are controlling your power plant or being responsible for the operation of the power plant. They may

be simply a welder and trained as a welder, and not as a machinery operator. And they will be a very skilled welder because of the materials and the sorts of welding they will be required to do. And the same will apply to the other technical skills.

We will of course have more women. For two reasons. One is it is my view that the government will change its position on women in combat and the logical thing to do, and it will make life administratively easier for us, is to open up all branches in the navy equally to men and women. We will thus see women in all seagoing ships. My guess is that, that will leave us with something like the navy being 18-20% female. It is probably unrealistic according to studies that have been done, for western societies in hierarchically structured organisations to expect a higher proportion of women in the organisation. You do not actually achieve a more than 18-20% rate unless you artificially employ them at the bottom end of the organisation as hewers of wood and drawers of water.

The other reason that we would have more women is simply that, that is the only way that we will get the people who have the requisite skills and ability to operate the ships. When you look at the demographic profile of the country and look at the sort of people we need we are competing for a group that a lot of other people are competing for. And it would be absolute stupidity to ignore a group that makes up 50% of the population simply because they have got bumps on their chest.

Because there is not going to be much money, and it does not matter even if the economy improves significantly - as our political masters are fond of telling us - we still are not going to get a lot more money. We shall get some, I am quite confident of that. Provided that the Chiefs of Staff continue to deliver the outputs required by Government we will establish a level of credibility that will enable us to extract a little bit more money. But that is all it will be. The point I think that a lot of people do not understand about the economy is that even if we get significant growth, there is not going to be a significant change in the level of unemployment. Three to four percent growth will only have a

marginal impact on unemployment.

What it will produce is a shortage of skilled labour, and that is already occurring. So that while we may see a lift in the economy, that lift is still going to require significant expenditure supporting people in the social sense, and paying off our debts.

So that means that if we want to do things, we have simply got to get better at running the organisation. We have got to cut overheads and the only way we can really do that is to shrink the infrastructure. That effectively means getting rid of real estate and that is what we are going to do. Ultimately the navy will shrink into the naval base area. The Officer Training School will remain at *Tamaki* with some workshops for the foreseeable future but that will be all. North Head will go. I can assure you that we have now actually let contracts for the start of the Naval Training Group Stage One as it is known which will finally replace the North Head schools.

The *Tamaki* boat yard will go. I think we are going to have possibly some rationalisation of Reserve Divisions with Army Territorial units because it becomes a nonsense having a Reserve Division in a city with under-utilised buildings and down the road is an army territorial unit with equally under-utilised buildings so it obviously makes sense to combine the two.

We shall try to use technology in terms of information systems to reduce the administrative infrastructure. That is going to become balanced however by the need to increase the technical support structure. At the moment it is inadequate and it is clearly an area we are going to have to pay attention to meet the demands of the *Anzac* ships where while you will have less people at sea, will require virtually the numbers you take off the ships at sea, in shore billets to support them.

To come back to the question that was posed to me - to address the future of the RNZN. I feel extremely positive about it because I believe that we are structured in such a way that we can withstand the political and budgetary vicissitudes which will undoubtedly be hurled at us. I will watch with interest from my retirement. I certainly feel in

a privileged position in that I inherited a very sound organisation, and all that one can do - as has been said on many occasions - is to ensure that in what you pass on you have tried to do your very best to have added some improvement. I believe that if everyone continues in that light, we can guarantee that we offer the country a navy with a very sound future because

there is one thing that I can assure you of. The quality of our young men and women in the service is absolutely first class. They do a tremendous job for NZ overseas. The reports I receive from external sources about the performance of our people in Yugoslavia, Cambodia and in ships deployed make one very proud to be part of the RNZN.

ANNOUNCEMENT

NORMAN POLMAR IN AUSTRALIA & NEW ZEALAND

The RAN's Maritime Studies Program and Headquarters New Zealand Defence Force are co-sponsoring the visit of the eminent United States strategist and naval thinker, Norman Polmar on a visit to Australia in early May 1993.

As part of his Australian leg, Norman Polmar will be participating in two - one day seminars on maritime matters. The first to be conducted in Canberra, on Friday 7 May, will be co-hosted by the RAN's Maritime Studies Program and the Australian Defence Studies Centre, Australian Defence Force Academy. The proceedings of the seminar will focus on Naval Power in the China Seas: Capabilities and Rationale, and will also have leading Australian Defence academics presenting papers. Australian Naval Institute members booking through the Institute, will be able to enrol for the seminar for \$47 (lunch and teas inclusive) vice the normal \$55 fee.

The second seminar will be co-hosted by the RAN Maritime Studies Program and the Australian Naval Institute, and will be conducted in Sydney on Tuesday 11 May. The topic for this seminar will be Operational and Technological Developments in Maritime Warfare: Implications for the Western Pacific. There will be a charge of about \$25 for Institute members to cover lunch and teas for this seminar.

More information about the seminars and Norman's visit may be obtained by contacting the RAN's Maritime Studies Program on (06) 266 6873 or (06) 266 6114, Fax (06) 266 6754. Application brochures will be available from about early April.

For New Zealand members, Commander Richard Jackson - Headquarters New Zealand Defence Force is the contact officer for Norman Polmar's New Zealand leg of the visit.

BOOK REVIEWS

DISASTER IN THE PACIFIC

New Light on the Battle of Savo Island.

By Dennis & Peggy Warner with Sadao Seno

Hardcover, Published in Australia by Allen & Unwin, 259pp plus notes, bibliography and index. RRP \$34.95.

Reviewed by Commander Richard McMillan RAN.

Of the many books on the Pacific campaigns, and on the Battle of Savo Island in particular, this must be one of the most thorough and concise. The result of extensive research into the contemporaneous records of both sides, and of recent interviews (themselves no mean feat some fifty years after the event), *Disaster in the Pacific* presents a generally well balanced account of the battle and the events that immediately preceded it.

Readers of the *Journal* will be familiar enough with the immediate circumstances surrounding the loss of *HMAS Canberra* and *USS Astoria*, *Quincy* and *Vincennes* in the early hours of 8 August 1942 to not need any description of the battle here. Each of the central chapters of the book reflect the experiences of one ship or group of ships, Japanese and allied, during and immediately after the encounter. These chapters are particularly impressive in their factual detail, and they form a valuable and concise record of the battle and its aftermath.

The 'new light' claimed in the title concerns the previously accepted belief that RAAF reports of two separate sightings of the Japanese surface force on 7 August, were neither promptly made nor subsequently received in the Allied force in sufficient time for the attack to be countered. The authors prove that neither belief is correct and, while few of the existing works on the subject are likely to be rewritten, this book at least documents the facts necessary to counter these longstanding falsehoods.

Indeed, the author's sympathies can readily be determined by their dedication of the book to Nancy Milne,

whose years of private research and inquiry largely established the facts. She served in RAAF intelligence during World War 2, but her interest in the matter was kindled by the fact that her husband commanded the RAAF Hudson detachment based at Milne Bay, New Guinea, from which the sighting was made.

The text does not display any national bias, often the bane of similar books and, as said above, gives a balanced view of the facts. However, I have a number of concerns over the internal balance or structure of the text itself. While a longstanding wrong is corrected, I feel that the authors' subsequent attempts to determine why the allied force was so unprepared have not been entirely successful: not for lack of effort, but possibly because the conclusions reached soon after the disaster (with the exception of those suggesting lack of warning) were actually correct. Unfortunately, without access to the main protagonists, we will now never know. But I do feel that the authors tread with less surety where they venture from hard facts into analyses of motive and behaviour, conjecture and supposition.

In a more particular vein, its conciseness and occasional imprecision will leave some room for confusion among readers with a maritime bent. The maps (all but one from the Official History) do not support some textual references well, due to their lack of geographic detail. The photographs are better in this respect, but those illustrating the 7 August landings serve only to reinforce the inadequacy of the maps.

History buffs will note the omission of one footnote reference from the bibliography, although it appears to be otherwise correct. Alert readers will not be fazed by the potential confusion inherent in the references to officers named Layton (one RN, one USN), nor by the authors' failure to note the origins of the callsign 'Cast' used by Fleet Radio Unit Melbourne. But they will puzzle over some aspects such as whether "thirty minutes to reverse course..." was what the authors really meant, and

they may wonder whether or not a rather long bow is being drawn in the suggestion that the kamikaze tactic was consciously initiated on 7 August 1942. These and other similar difficulties are the result of the book's very conciseness, and those with some knowledge of the battle may need to go over the text several times to resolve the ambiguities and imprecision they find.

But potential readers should not be dissuaded from the book by these concerns. My point is only that, in its conciseness, the book has some failings. However, it is neither biased nor deliberately misleading, and does provide an excellent summation of events that those with wider interests will be able to flesh out from their own knowledge. It also rights an old wrong, and on that basis alone it deserves a wide circulation.

QUARTERDECK CAMBRIDGE: The Quest of Captain Francis Price Blackwood RN. Ellison's Editions, 41 High Street Orwell, Royston, Herts SG8 5QN.

The quest of the Village Chiefman in Papua New Guinea for his ancestral skulls has led to an astonishing discovery. In 1846 Jesus College, Cambridge, admitted Captain Francis Blackwood as a 'Fellow Commoner'. The Captain was on half pay, aged 37 and a bachelor, interested in astronomy, as he had just returned from a surveying voyage. Many University students did not, then, take degrees, perhaps only half. As a mature student Blackwood would have paid extra fees to have the privilege of using the Senior Common Room, and dining at High Table with Fellows in the hall.

Strange to say, Jesus College today didn't know that their former member went down to command HMS *Victory*. For Blackwood had got married in October 1848, after two years. Fellows were not then allowed to be married, and married students were unheard of. They just assumed that he had gone down. But only a month after his wedding he was appointed by Their Lordships of the Admiralty as Flag Captain to Portsmouth's Commander-in-Chief, Admiral the Hon Sir T B Capel, who was then in his seventies, but had been another of Nelson's frigate Captains at Trafalgar, like Francis' father. Appointment to

command *Victory* was certainly an unusual wedding present.

But what has the Village Chiefman 'down under' got to do with this story? Ah before coming up to Jesus, Captain Blackwood had commanded the surveying ship, HMS *Fly*, while charting the Australian Barrier Reef near the Torres Straits which divide Australia from New Guinea. And for nearly ten years Royal Chiefman Jamie Koivi had been trying to find a descendent of 'Captain Blackwood 1842', for - so ran his people's oral memory - the Captain bought those skulls 'for a stick of tobacco'. Was that 'fair trading'.

The Ministry of Defence's Whitehall Library eventually referred him to NHCRA, (the Naval Historical & Collectors Research Association). Duly we traced Captain Blackwood's Admiralty Chart in the University Library's Map Room: and in the great catalogue of their books appeared the name BLACKWOOD, Francis Price! For his ship's scientist a written a fine two-volume book about *Fly's* commission with the captain. In it, yes, there was a mention about buying skulls: they'd all been given to the Royal College of Surgeons in London. But, alas, they'd been destroyed in an air raid in World War 2. So it was with pleasure that we found Blackwood had brought back other things too, and the British Museum still display an aboriginal mask from Northern Australia at their Burlington Gardens galleries, brought back by *Fly*.

The *Naval Biographical Directory* of 1848 gave us Blackwood's earlier ships - he had served with Captain Frederick Marryat, author of *Mr Midshipman Easy*, as well as with another Cambridge character, 'Blowhard', or Wimpole Halls' Earl of Hardwicke; and, yes, he was one of the sons of Nelson's frigate captain, Sir Henry Blackwood. But the Navy didn't mention Cambridge, and Cambridge's student list, Venn's *Alumni Cantabrigienses*, never gave his later command of *Victory*! It was only through an *Australian Biographical Directory* that we learned he had come up to university. But though the Australians gave his date of death, they never knew about *Victory* either. Only a casual glance through the contemporary *Navy Lists*, also in the University Library, revealed his last achievement. Jesus College have been pleased to learn his fame, though their

kind archivist remarked sadly, 'He did not join the Boat Club!'

Final accolade for Blackwood came after Admiral Capel took all his officers to sign the Visitors Book at Osborne in the Isle of Wight. The Queen returned the compliment and came to watch a regatta by *Victory's* boys - she thought a race of boys 'sculling in tubs...most amusing'! So, perhaps, when you come to Cambridge, you should call at Jesus College, and imagine yourself 'saluting a Quarterdeck.'

Provided by the Publisher.

AUSTRALIAN SUBMARINES: A HISTORY

by Michael W.D. White

Published by AGPS Press, Canberra, 1992, 2384pp, 94 illustrations, 13 Appendices, Bibliography and Index, \$34-95 paperback. Reviewed by Lieutenant Jason Sears, RAN.

Michael White has produced a well written but, in some areas, disappointing history of Australian submarines. The book is well set out and produced, easy to read, contains some excellent diagrams, illustrations and tables yet one feels that White could have done more than simply present a basic factual history of the RAN submarine arm especially in the latter chapters.

The book begins with a brief chapter on the development of submersibles before moving onto the acquisition of Australia's first submarines and the histories of AE1 and AE2. These areas are covered in some detail and, while White offers nothing startlingly new to the debate about the mysterious loss of AE1, his conclusion that the loss was most probably caused by a navigational hazard appears sound.

Chapters Seven to Eleven deal with what has been to date a neglected area of Australian naval history - the era of the J boats which, with the financial constraints confronting the RAN of the early 1920's, ended shortly after it had begun. In 1922, less than four years after their arrival in Australia, it was decided to dispose of the J class submarines.

Australia did not regain a submarine arm

until Oxley and Otway arrived in Sydney in 1929, however, financial pressures again caused them to be paid off into Reserve in 1930 and then gifted to the RN in 1931. Following these chapters, White briefly examines the use of K9, a Dutch submarine taken over by the Australian during the Second World War for use in anti-submarine training and he also devotes a chapter to the role of HMAS *Platypus* as a depot ship.

White deals with the previous points in his first seventeen chapters leaving only one chapter to look at the *Oberon* Class submarines with a further short chapter devoted to the future *Collins* Class submarines.

Admittedly, the history of the *Oberons* occurs in the closed reporting period but considering the author's experience in these boats, the material that is available and the fact that the period of service of the *Oberons* has been greater than all the other types combined, then greater attention should have been given to this section. In the event, these two chapters are all too brief and devoid of any analysis, conveying only the briefest factual history of the Squadron and its boats.

White's *Australian Submarines: A History's* greatest value will be as a source document rather than as the authoritative history that it claims to be. It is filled with good photographs, has two very good diagrams of AE1 and J5 and its appendices are a wealth of basic information relating to who has served in the Australian Submarine Arm. The endnotes following each chapter and the bibliography will provide future scholars with a starting point to follow when considering aspects of our Submarine Arm's history as will this book as a whole.

For these reasons White's book is worth purchasing. It provides a good albeit brief general history of the Submarine Arm. More importantly, it should become a valuable starting point for any future works on submarine history and it should stir an interest in an area of our naval history that has been ignored for too long.

ANI BOOK OF THE QUARTER - AUTUMN 1993

Introduced by Jason Sears

WHERE FATE CALLS: THE HMAS VOYAGER TRAGEDY

Tom Frame (Hodder & Stoughton, 1992) 477 pp, 23 B&W Photos, 32 figures, endnotes but no index, hardcover signed by the author.

Tom Frame's book *Where Fate Calls* is one of the most controversial books ever written on Australian naval history and it is an excellent Book of the Quarter with which to begin 1993.

As much has already been written about *Where Fate Calls*, in this introduction to the book I intend simply to recall some of the more memorable quotes.

VOYAGE OF THE DOOMED

The sinking of HMAS VOYAGER on February 10, 1964, with the loss of 82 lives, triggered as much mystery as outrage . . . historian Tom Frame provides the most complete account yet of a national calamity.

from *Good Weekend*, 1 February 1992.

VOYAGER: HOW SIR DAVID COVERED FOR HIS MATES

The late Governor of NSW, Sir David Martin, admitted on his deathbed that he had not told the whole truth to the second Royal Commission into the collision in 1964 between HMAS VOYAGER and HMAS MELBOURNE, in which 82 men lost their lives.

And the most likely cause of the collision, which two royal commissions found to be inexplicable, was a mistake in relaying a signal from MELBOURNE to VOYAGER.

. . . Lieutenant Frame's book will reopen the VOYAGER controversy - described by veteran journalist John Farquharson as 'one of the three biggest controversies in Canberra along with Petrov and the sacking of the Whitlam Government'.

by Tony Stephens, *The Sydney Morning Herald*, 1 February 1992

Frame frames his subject well . . . goes into all these areas in painstaking detail . . . The

arguments are cogent, and even though one may not agree with the odd one, they nevertheless present a strong overall case that is difficult to ignore . . . Frame's dissertation does much to debride the festering wound that is VOYAGER. Although many of his conclusions are harsh and uncomfortable, they do serve to put much of the controversy, doubt, and concern about continuing cover-up to rest . . . *Where Fate Calls* helps us understand our naval heritage and just how far we have come . . . It is a clear signal that the RAN can look at itself and this embarrassing incident in its past without flinching or dodging and that it has finally emerged from hobblydehoyhood into well-seasoned maturity.

by Surgeon Commander F.J. Parkes, RAN, *Journal of the Australian Naval Institute*, February 1992

In my view it was a mistake to raise the ghost of VOYAGER even after 28 years. It opened up opportunities for the inevitable superficial public rehashing of issues already done to death in the media . . . I do not accept Frame's conclusion . . . What I am suggesting is that Robertson's relative inexperience in the carrier led him into chasing non-existent wind when there was no need for it. This "can do" outlook is generally admirable, and, as a result, the Australian taxpayer has had more out of the Navy budget dollar than should be reasonably expected. But it has its down side too, and, I suggest, it was a significant factor in the collision . . . So what are we to make of this handsomely produced book? . . . While it is still a pity it was ever done, it is a monumental effort which merits the doctorate the author has received, and we can all be glad for him on that account. However for the reasons I have given I think the old Scottish verdict of

"Not Proven" would be about right.
But read it anyway. Just keep your
critical faculties alert.

by Commodore J.A. Robertson RAN (Rtd),
*Journal of the Australian Naval
Institute*, August 1992

So why don't you take advantage of this
outstanding offer of a hardcover copy of
Where Fate Calls signed by the author
for only \$13-50 (plus postage and
handling) and decide for yourself what
really happened.

MEMBERSHIP

RENEWAL

Membership renewal was due on 1 January 1993. Current financial status is shown in a two figure style (ie 93) in the top left hand corner of the mailing address label. Members whose current status is 92 or less are now unfinancial and should forward payment by cheque or credit card authorisation to the *Institute* by the end of March 1993.



Guide to Authors

All readers, members or not are invited to submit articles for publication. Articles dealing with maritime topics having a direct or indirect bearing on naval matters, including articles from overseas, will be considered. The Institute is keen to have its journal known as a medium by which writers seeking publication for the first time, will have the opportunity to get their work published.

Articles of any length up to approximately 6 000 words are welcome and the Institute will pay for original material at \$10 per 1 000 words published. The ANI also awards prizes from time to time for material published.

Long articles should be subdivided and accompanied by an abstract of no more than 75 words. The journal's style is impersonal, semi-formal prose. Acknowledgments should be given, but authors should be wary of providing lengthy endnotes and or bibliographies.

Glossy black-and-white prints are ideal for publication but good quality colour material can often be reproduced with acceptable results. Line illustrations can be easily reproduced as can graphics and tables in many disc formats.

The journal is now compiled using an IBM compatible computer and Wordperfect 5.1. Material is welcomed on disc (accompanied by one hard copy). Most popular word processing packages can be converted, but if in doubt, submit in ASCII text format. If submitting in hard copy only, try to insure that it is in clear black on white transcript.

When copy is submitted to the journal, it is on the understanding that the ANI is being offered a non-exclusive licence to publish. Authors are responsible for obtaining clearance to publish from any appropriate source. Personal opinions should be expressed in such a way that no reasonable reader would infer official sanction of that opinion. The Institute will consider publishing under a pseudonym, but the author's name and address must be supplied to the Editor, who will treat them with appropriate confidence.

Articles should be submitted under a cover sheet containing the author's name, address, present position and brief biographical particulars. If material has been published previously, details should be given and any assistance in preparing the article acknowledged.

The ANI's postal address is PO Box 80, Campbell, ACT 2600

Editor: Commander Dick Sherwood,
Ph. (06) 266 6873 FAX (06) 266 6754



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HALF PAGE SIZE 125 X 180mm or 250 x 90mm
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MATERIAL FORM REQUIRED
 Monochrome Clean artwork or negatives
 Colour four colour separation negatives
 Screen 133 preferred: 125-150 acceptable

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Half page	300	275	250
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Internal page	200	175	150
Half page	150	135	125

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USA, Canada	\$A20.00
UK, Europe, South America	\$A22.00
Other countries	On request

AUSTRALIAN NAVAL INSTITUTE
BALANCE SHEET AS AT 31 DECEMBER 1992

1991		1992
	ACCUMULATED FUNDS	
43,600.50	BALANCE AT 1 JANUARY	37,463.60
(9,193.34)	ADD PROFIT/LOSS FOR THE YEAR	2,324.65
<u>3,056.44</u>	BOOK STOCK ADJUSTMENT 31 DEC 91	
<u>37,463.60</u>	ACCUMULATED FUNDS 31 DECEMBER 1992	<u>39,788.25</u>
	REPRESENTED BY:	
	ASSETS	
685.00	DEBTORS	1,732.30
1,133.25	COMMONWEALTH BANK	2,976.99
38,157.85	DEFENCE CREDIT CO-OP	38,818.01
1,287.60	STOCK: INSIGNIA	1,032.14
475.30	MEDALS	271.60
1.00	DIE	1.00
935.35	BOOKS	<u>3,126.45</u>
1,620.30	CASH ON HAND	40.00
1,098.15	WITHHOLDING TAX	1,236.15
2,490.00	COMPUTER AT COST	2,490.00
<u>(968.00)</u>	DEPRECIATION	<u>(1,798.00)</u>
46,915.80	TOTAL ASSETS	49,926.64
	LIABILITIES	
5,787.00	CREDITORS	6,345.39
	PRE-PAID SUBSCRIPTIONS	
	1993	2,085.00
	1994	838.00
2,965.20	1995	<u>170.00</u>
	PROVISION FOR:	
400.00	LEGAL FEES	400.00
300.00	MEDALS	<u>300.00</u>
<u>9,452.20</u>	TOTAL LIABILITIES	<u>10,138.39</u>
<u>37,463.60</u>		<u>39,788.25</u>

AUSTRALIAN NAVAL INSTITUTE

PROFIT AND LOSS STATEMENT FOR YEAR ENDING 31 DECEMBER 1992

INCOME	1992	1991
CORPORATE SPONSORS	22,500.00	10,000.00
SUBSCRIPTIONS	5,644.28	9,747.00
BOOK OPERATING PROFIT	1,670.45	
INSIGNIA PROFIT	64.54	
HISTORY WORKSHOP	31.05	
MISCELLANEOUS	59.95	187.00
INTEREST	3,285.18	5,321.92
DINNER/SEMINARS	1,060.00	1,433.00
	<u>34,315.45</u>	<u>26,688.92</u>
EXPENDITURE		
AUDIT FEES	560.00	490.00
JOURNAL OPERATING COSTS	24,558.26	23,258.22
ADMINISTRATION	597.32	647.27
BANK FEES	247.12	127.02
GIFTS AND DONATIONS	544.00	200.00
KINDRED MARITIME ORGANISATION	350.00	
TRAVELLING AND CORP SPONSORS		5,038.20
SEMINAR EXPENSES	3,683.00	3,944.85
REFRESHMENTS AGM	117.40	73.89
MEDAL PRESENTATIONS	203.70	339.25
DINNER 1991	300.00	
DEPRECIATION (COMPUTER)	830.00	830.00
INSIGNIA OPERATING LOSS		46.34
BOOK OPERATING LOSS		879.19
BANK INTEREST		8.03
	<u>31,990.80</u>	<u>35,882.26</u>
NET PROFIT/(LOSS)	<u>2,324.65</u>	<u>(9,193.34)</u>

Note. Profit for the period includes pre-paid subscriptions through to 1995.

Australian Naval Institute
Trading Statement for Year Ending
31 December 1992

Insignia Operating Account	1992	1991
Sales	320.00	196.00
Less Cost of Sales		
Stock on Hand 1 Jan	1,287.60	1,081.44
Add		
Purchases		448.50
Less		
Stock on Hand 31 Dec	1,032.14	1,287.60
Cost of Sales	<u>255.46</u>	<u>242.34</u>
Operating Profit (Loss)	<u>64.54</u>	<u>(46.34)</u>

Medal Operating Account

Presentations	<u>203.70</u>	<u>339.25</u>
Stock on Hand 1 Jan	475.30	814.55
Stock on Hand 31 Dec	<u>271.60</u>	<u>475.30</u>
	<u>203.70</u>	<u>339.25</u>

Book Operating Account

Sales	3,306.40	1,911.50
Less Cost of Sales		
Stock on Hand 1 Jan	935.35	339.60
Adjustment to Opening Stock	-	3,056.44
Add		
Purchases @ Cost	3,827.05	330.00
Less		
Closing Stock 31 Dec	3,126.45	935.35
	<u>1,635.95</u>	<u>2,790.69</u>
Operating Profit (Loss)	<u>1,670.45</u>	<u>(879.19)</u>

Paul Reis A.A.S.A. F.T.I.A.

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PHILLIP, A.C.T.

8 February 1993

The President
The Australian Naval Institute
P O Box 80
CAMPBELL ACT 2601

Dear Sir

Re: Auditors Report
for the Year Ended 31 December 1992

I have examined the Accounts for The Australian Naval Institute Incorporated for the year ended 31 December 1992.

In my opinion the attached Balance Sheet together with the Profit and Loss Account, Insignia Operating Account, Medal Operating Account and Book Operating Account have been properly drawn up: -

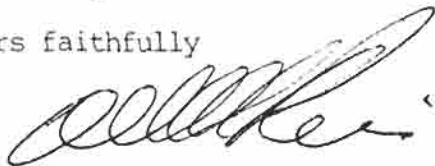
- so as to give a true and fair account of the affairs of the Association in accordance with Section 72(2) of the Associations Incorporation Act 1991.
- in accordance with the provisions of the Act.
- in accordance with approved accounting standards.

The Register of Members has been kept in accordance with Clause 10 of the Associations Incorporation Regulations.

The rules relating to the Administration of the funds of the Institute have been observed.

I have obtained all information and explanations required and in my opinion proper accounting and other records as required by the Act have been kept by the Association.

Yours faithfully



P O Reis
FCPA FTIA
Registered Company Auditor



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Crests are meticulously hand-painted in full colour and are handsomely mounted on polished New Zealand timber. They measure 175mm x 130mm (5" x 7").

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Journal binders are coloured blue, with gold lettering and ANI crest. Each binder holds copies of the Journal by means of a metal rod inserted simply through the middle page of each journal and held firmly at top and bottom of binder. Plastic envelopes on the bottom of the spine enable volume numbers or years to be inserted.

Price is \$8.00 each plus \$2.00 postage + packing.*

(*Can be deleted if alternative means of carriage are arranged).



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Please send me information about ANI membership.

(Complete Box A only)

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(Complete Boxes A & B)

Rank/Title: Surname:

Other Names:

Service/Organisation:

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I apply to join the Australian Naval Institute as a Regular/Associate member and enclose my cheque/credit authorisation for year(s) subscription. If accepted for membership, I agree to abide by the constitution and By-laws of the Institute.

(Signature): Date:

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Years		
1	2	3
25	48	65
27	52	75

☐ Cheque enclosed for \$, Incl. postage.

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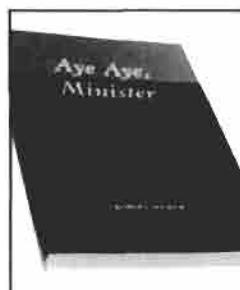
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AYE AYE, MINISTER: Australian Naval Administration 1939, Robert Hyslop (Australian Government Publishing Service, Canberra 1990) 229pp, 3 tablets, chronology. Softcover. Special price to ANI members is \$13.95, plus P & H \$5.00 (\$4.00 for

each additional copy). "Aye Aye, Minister is an emerging study, rich in fine detail and analysis ... of interest to students of Australian Naval History" (Tom Frame: AUG 1992 Edition of the JANi)



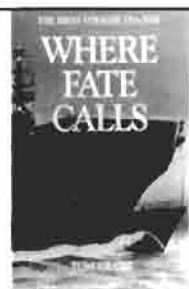
GARDEN ISLAND — A HISTORY, Tom Frame (Kangaroo Press, 1990),

240pp, 210 x 102mm (Hardback). Price to ANI members \$4.95, plus P & H \$5.00. The first history of Garden Island dockyard, the home of the Royal Australian Navy since 1788.



A FEW MEMORIES, Sir Victor Smith (ANI Press, Canberra, 1991), 72pp (B5). Softcover. Price to ANI

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WHERE FATE CALLS: THE HMAS VOYAGER TRAGEDY, Tom Frame (Hodder & Staughton 1992) 477 pp B&W photos, 32 figures, endnotes

but no index, hardcover signed by the author. "One of the most controversial books ever written on Australian Naval history." Price to ANI members \$13.50 plus P & H \$5.00 (\$4.00 for each additional copy).

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REFLECTIONS ON THE RAN. Edited by T.R. Frame, J.V.P. Goldrick & P.D Jones. The collected papers of the Australian Naval History Seminar, 1989. \$14.95 plus P & H of \$5.00 for non-service addresses. Six copies only.

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SURFACE
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AUSTRALIA

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