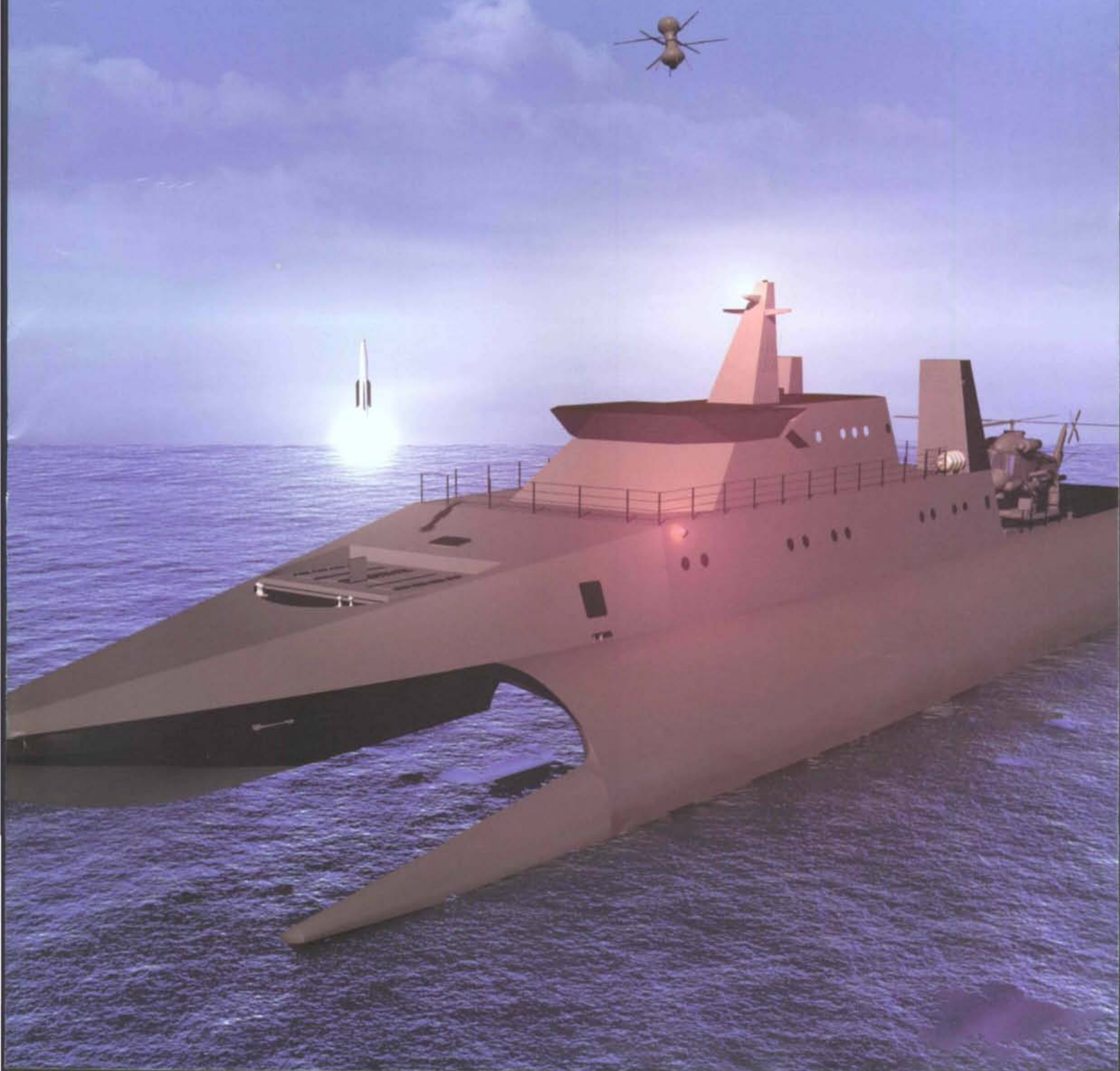




Special Naval
Symposium Edition

Journal
of the
Australian
Naval
Institute

Volume 25 Number Four
October/December 1999



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- to encourage and promote the advancement of knowledge related to the Navy and maritime profession; and
- to provide a forum for the exchange of ideas concerning subjects related to the Navy and the maritime profession.

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2. in MS Word; and
3. either 250-400 words (letters and illumination rounds), 1500-2000 words (smaller articles) or 3000-5000 words (feature articles).

We can support black and white photography and diagrams but please supply originals or electronic copies. Colour plates are limited within the journal and will normally be reserved for feature articles.

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Journal of the Australian Naval Institute

ISSN 0312 — 5807

Volume 25 Number 4 October/December 1999

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9-10 December 1999*



*Back Cover – Some things change, some are
bound to stay the same!*

**PO Box 80
Campbell ACT 2600**

Designed, typeset and printed by

NCP

22 Pirie Street, Fyshwick ACT 2609. Phone (02) 6280 7477

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Editorial

Welcome to another edition of the JANI. This edition takes in some of the proceedings from the Naval Symposium held in December last year. The 1999 Symposium was the first that grouped currently serving, retired and civilian members all 'in the same boat'. There were some four hundred attendees including around 360 serving, 30 retired and reserve members as well as a representation from the civilian members of the Navy. It was a great turnout and for someone who had never been involved in a Symposium before, a great introduction to what can be achieved by mixing such a broad range of experiences in the one theatre.

The Symposium theme was the Navy in the 21st Century and much of the discussion centred around the way ahead for the Royal Australian Navy. Due to the length of the proceedings, two days in all, this edition is unable to cover everything that was said. Included below are the speakers not in this edition and with the exception of the Minister's remarks, all are available on video from Mr John Sarvis at the Navy Video Unit on Garden Island. John is contactable on 02 9359 3155 or at John.Sarvis@navy.gov.au. So if you'd like to hear what any of the other speakers said, please get in touch with John.

That said though, the speakers selected here quite comprehensively cover the topics discussed at the

Symposium. There was a real interest in the proceedings and it was worthwhile hearing the input not only of the serving members, but also of the retired community. From all reports our retired members were pleased with the opportunity to be involved and it was great to see that their experiences were able to help in the way ahead for our Navy.

In future editions I'd like to be able to include the old section we were kindly given the permission of the USNI 'Proceedings' Magazine to use, 'Nobody asked me, But...'. So if you've got a gripe that's unsubstantiated, or a great idea then please forward it and we'll put it in print. Remember, your confidentiality, if called for, is guaranteed.

Finally, as the ongoing call, I'd invite you all to pen a few thoughts on any of the articles that strike you and forward them to me for inclusion in the next edition of the Journal. Also, if you've got any ideas on how to improve the Journal please let me know.

All the best for a great 2000 and I look forward to hearing from you soon.

MATTHEW ROWE

Other Speakers at the Symposium were:

- Director General Maritime Studies Program (DGMSP) Captain James Goldrick, RAN.
"The Navy 1911-1999 – How did we get here?"
- Warrant Officer of the Navy (WO-N) Warrant Officer David Wilson
"On Watch Report" and "Leadership in Tomorrow's Navy" (with Warrant Officer Greg Stroud).
- Lieutenant Commander Sue Scott from the Tomorrow's Navy Team
"Communicating Navy's Vision into the 21st Century."
- DCN also spoke on two additional topics:
"Strategic HQ – A whole of Navy approach to the 21st century" and
"Personnel Strategies for the next century – bringing training and people together".
- MCAUST also spoke on "Navy's Operational Roles in the 21st Century".



Symposium '99

On Watch Report – Maritime Commander Australia

– RADM John Lord, AM RAN

CN, Ladies and Gentlemen, it is a pleasure to be here this morning. You can tell this is a 21st Century conference because in the past you have seen death by view graph but today it is by video. But I give no apologies for that. The Fleet is about ships, it is about people and it is about action. Unless you see what our people are doing and our ships are doing, you can quite often forget, particularly if you are a Mexican from south of the border in Canberra. Let me give you an overview. The ADF has been in the spotlight this year in many different areas. There has been funding, before Timor there were cries we needed more funding for the future to fund the new initiatives of Army, Navy and Air Force.

There have been changes at the senior executive level. We changed Secretary in mid-year which caused a lot of controversy. We have our youngest Chief of Navy. The ADF spotlight of course, has been on Timor in the past few months and we have been heavily involved. And even as we speak now, refugees and illegal immigrants and another 200-odd are being rounded up by three patrol boats at 8.30 this morning. Navy has been involved in all of those issues to a different degree. Not all of it has been positive public relations for the Fleet. We remember Otama footage, the Collins caused problems, we are back on track and of course, our LPAs being modified in Newcastle, although Manoora has been to sea and we hope to get it back there tomorrow.

Maritime Command operations and public relations have been positive. The footage I have shown you from Timor has been on TV, although often it is said it has been a one-sided story. I believe there has been adequate coverage and Navy got very good coverage in those first few days of its operations in Timor. Operation *Bel Isi* in Bougainville, Navy continues to support that with the other Services and we do give our people coverage. The refugees and illegal immigrants, Navy is always on the TV there – an essential part of Australia's national effort. And then there is the rescues that have taken place this year.

Right back, just after Christmas, the Sydney to Hobart, the yachts that have been stranded and rescued around the Australian coast throughout the year and people who have been stranded amongst crocodiles on the beach rescued by Navy ships and Navy people. It has been a big effort. The PR has been positive and negative, but overall positive. My focus this morning in this brief report is to focus on the high spots, the key activities of this year. I will not list all the achievements. I mainly will stay on the positive

parts but I will also list some of the issues that we have addressed and we need to address in future. There is three parts to this presentation – operations, exercises and then some general issues.

Let me first open with air operations. I guess you start with the Sydney to Hobart yacht race, the most disastrous on record. MELBOURNE and SYDNEY flights of 817 Squadron were key contributors to those rescue operations that seem so long ago. Very pleased we were to see Petty Officer Pashley BM and Petty Officer Lee BM awarded with Bravery Medals. But all of the crews that took part in that played a major part. I would also highlight that Young Endeavour was out there throughout and yet it received almost no coverage. But as the radio relay vessel, was out there throughout the storm and did not return to harbour.

Recently air operations also, have been going on in Timor. You saw briefly there Naval helicopters transferring fuel to shore. There was no other way of getting fuel into Timor in those first couple of weeks other than by bladders, by Naval helicopters. It was absolutely essential to the operations ashore and to the ink spot that spread from Dili across to all of East Timor. Naval helicopters did the runs from Dili to Suai very early on when we really did not know what the dangers were on the ground. And even more recently, as you will recall from TV news, it was Naval helicopters that unfortunately found the four snowboarders who disappeared several weeks ago.

I now move on to Damask 9 or the Gulf deployments. This year we returned to the gulf in Damask9 using *HMAS MELBOURNE*. These are always highlights, these deployments, but this one particularly was because once again, our interoperability with the United States Navy was proven and we had a Staff Officer on board the Carrier in the Gulf throughout the deployment. MELBOURNE this year also achieved the first flight participating in a tri-nation operations right on the edge of Iraqi waters to try and stop the smugglers. This was a first for us and MELBOURNE'S deployment was indeed very successful.

As I mentioned a few minutes ago, surveillance operations continue at a pace and this morning we are involved quite heavily with three of our patrol boats off the north-west of Western Australia. Looking at statistics, our numbers of illegal fishing arrests this year are down but then again that is because the SIEVs, the illegal entry vessel operations are well up. We have been putting less effort, obviously, into the fisheries as we are going through this hectic period of



illegal entries. The operations with illegal entries have ranged all the way from Sydney right round to north-west Western Australia which has indeed tested our surveillance forces this year.

You will recall the New South Wales people smuggling incident earlier in the year in which HMA Ship NEWCASTLE and FREMANTLE participated. What is the effect of these high tempo of operations on our surveillance forces? Well, are 1800 days given by us, Navy, to the national effort enough? We will find out, the DG of Coastwatch, Rear Admiral Sholders will work that out. Our Fremantle class are getting old they are breaking down more regularly. They are very expensive craft to use to tow and escort vessels over long distances. Are we using these old ships, these expensive ships, in their best way? We need to address these issues. They are getting tired.

The other surveillance operation that has almost dropped from view within Navy was the Heard Island/Macquarie Island operation. This is now out to contract with Naval vessels at the moment not required to participate. But many of you may not be aware that communications, hydrographic and meteorological support and personnel are provided to these deployments, behind these deployments whenever they occur.

I mentioned Operation *Bel Isi* the Bougainville operation, which continues but is not really a front page news item. It has been ongoing for the RAN. It is a hard and boring deployment. Long transits to and from and there is no pause. It has traditionally been done by our landing craft but with the high demand of the LCHs in Timor, this year we have had to revert to using the Mine Sweeper Auxiliaries out of WATERHEN and presently, we have survey motor launches carrying out the task in Bougainville. What this has also shown is our ability to support our forces in remote places. The excellent technical and logistics support to go as far as engine change outs to LCHs in Bougainville, has been pretty impressive.

Then there is East Timor. It has obviously been a major focus for the whole ADF, not just Navy. It is ongoing for us at a lower tempo and will continue to be so. JERVIS BAY a Major Fleet Unit, two Landing Craft on station and an element of CDT are still there and will be there over Christmas. Lots of lessons have been learned from our Timor operations, both in the joint environment and Navy and these are still being worked on.

For us in Navy there was two stages. There was the initial evacuation operations which we envisaged utilising two Major Fleet Units and perhaps JERVIS BAY. But that at very short notice converted to the peace keeping operation we are now involved in, Interfet, or Operation *Stabilise* as it is being called. Our initial forces from a naval perspective in this, was to provide the Naval Component Commander to Interfet, Commodore Jim Stapleton and his team and Jim has just returned, was to provide the AOR

SUCCESS as you have seen, three Major Fleet Units, TOBRUK, three LCHs and JERVIS BAY were involved right at the start. And the CDT4 element who returned home last week and the Hydrographic unit were also deployed. The operations in Timor are a presentation themselves and I am sure as we settle down and learn our lessons from there, many of us will go through presentations and re-examine the operations that have occurred.

The second part of my report this morning is to talk about exercises. The RAN participates in five major exercises over a two-year period – Tandem Thrust, Kakadu, Stardex, Crocodile series which is new and replaces the Kangaroo series Exercises, and Rimpac. In 1999 on top of the additional operations you have seen in Timor we have participated in the first four over the five major exercises.

Firstly, Tandem Thrust. It was held in the Guam exercise areas. The focus for us is that it is a bilateral exercise with the United States. It is a key interoperability exercise for us and one that the ADF and Navy want to see remain bilateral. This year some other nations participated but it was a very key, early in the year exercise, at a high tempo for us.

We moved from Tandem Thrust to our second major exercise this year, which was Kakadu. Kakadu was the largest yet, is not it always? And this is in spite of the Asian crisis. There were six participating Navies, six Fleets represented at sea throughout and three observer countries. 4,000 people, 20 ships and 35 aircraft participated in this major exercise out of Darwin. It was the first time the Philippines and Indonesian ships participated in the exercise, and it is the first time we had the Republic of Korea observers. Kakadu has been developed by Australia into a major bilateral multinational Fleet Concentration Period and it is highly successful and countries are queuing up to attend. And again this year, I am pleased to report it was a successful exercise.

Kakadu for us rolled into Stardex. Stardex was the Five Powered Defence Arrangement exercise and it was good to see that kicking off again this year because FPDA was coming back on track with its exercise program. We, the RAN, were to be a large part of the Stardex exercise being held out of Malaysia. Now, the Timor operations stabilise and Warden had a big effect on our participation. DARWIN, ANZAC and SUCCESS were withdrawn quickly from Stardex and returned to Darwin to prepare for Timor operations. BRISBANE, FARCOMB and WALLER remained throughout the exercise.

I would like you to know that the deployment of FARNCOMB and WALLER was the first deployment of our Collins class overseas for a major exercise.

These two submarines deployed throughout Kakadu, went on to do Stardex and returned home. A great confidence builder and a knowledge builder for us in operating Collins class with all their problems which we are now working on.



Following Stardex was Crocodile 99. Crocodile is a replacement, as I said, for the Kangaroo series of exercises and this was to be the first Crocodile exercise. Once again, this major exercise was affected by Stabilise and Warden and for we in Navy, it meant cancelling the blue water phase which was to be held out in Coral Sea. Participation was therefore reduced to the MCM exercise out of Gladstone, which was invaluable for us because we utilised the SMLs, the Survey Motor Launches, for our MCM forces. And again, of course, we operated from a remote base. We took the base up to Gladstone and carried out the operations. I am pleased to report it was also highly successful with HMAS HUON'S performance. It was a chance to use HUON over an extended period in an operation environment. Participation also included HOBART and ANZAC. We joined US forces to enable gunfire support off Townsend Island.

Other exercises that we participated in this year were, Initial Landing, which was TOBRUK with three landing craft, MCMCD exercises out of Papua New Guinea and this year Indonesia participated in that exercise as well. An exercise was held in Noumea, our first with the French running out of Noumea and we were represented by two patrol boats. Singaroo exercises, our passage exercises with the Singaporeans have now got ten quite complex and we conducted those as we passed through the areas. And as I speak, the units participating in Lungfish 1999, a major submarine exercise off Western Australia are returning to harbour. WALLER, FARNCOMB, LOS ANGELES and OTAMA have all participated successfully.

This, for particularly FARNCOMB and WALLER, caps off a highly successful operational year.

It stated the problems and the fixes we have got to make, we are building up confidence and our people are getting proud of their submarine. We should also note that 8 December, yesterday, was the last day at sea for OTAMA until she goes into operational reserve for the next 12 months.

We have also deployed. Not only have the deployments been as part of the exercise schedule. We deployed ADELAIDE to China. ADELAIDE finished Timor operations and deployed straight over to Hong Kong and then Shanghai. We considered this an important deployment to continue with, to follow on our deployments to China in 1997 and 1998.

At the time of ADELAIDE'S arrival in China we were one of only two nations which have visiting rights for warships into China and our interactions with the Chinese Navy is developing and we may get to a passage exercise stage in the near future.

The last point of my presentation this morning was to talk about some issues. All is not roses and there is some good and some bad and there are some constraints. Perhaps, first I should address amphibiousness, our amphibious ships. TOBRUK,

JERVIS BAY, the LCHs were key to ADF ops in Timor. Absolutely key. And they showed what we need to work on in the future.

As I said, MANOORA got to sea last week and we will have her at sea again, hopefully, tomorrow to complete engine trials before she returns to Sydney on 17 December. There are some problems, obviously in getting a ship like that running after three years alongside but we are working through them and we will get her back here by the 17th.

What is the future in amphibious warfare and amphibious ships for us? We will have significant amphibious lift capability when we get those two LPAs out at the end of next year. The LCHs have proven their worth, even though they are aged and the life of type extension that is now underway is absolutely key. The Chief of Navy has supported bringing back into service the sixth LCH and the sixth crew and we need that. Because if we are to continue to support Interfet and Untaet, as it will become known in East Timor, and Bel Isi and Army training, we need six LCHs.

On general issues let me first address Fleet resources. Yes, there were a few reductions this year. Yes, there are spares shortages. Yes, there are refit dollar constraints, but we have met the tasking. We have not failed to meet any tasking given. But it is fair to say that we have no redundancy. That there are areas of the seagoing fleet that are brittle and we will just have to manage these very carefully.

The longer term impact of less refit dollars and less spare support can create a bow wave and we need to work through those issues. Fewer reductions does mean less sea time and we need to address the impact of this. Will our standards lower or have we been punching holes in the ocean too much? These will be addressed by Commodore Flotillas as he goes through this year on our reduced number of days at sea and our ships.

We need to focus our sea time better anyway. So, this may get us back on track, however, less sea time does mean less time at sea for training. And that is also something we need to assess, particularly in a time when we need to train more and more junior officers. But I am also looking at less sea time if we can concentrate on quality sea time, giving us more time in our home port. More time at home port for our sailors who take their leave to go off and do career courses. To do those things that at the moment they cannot do because we say they have to be at sea. So, there has got to be a balance here and we have got to make sure that we get the operational outcome we require but also get rid of those things that we need to do back in harbour. So, perhaps the chance is there to get a better fix.

Manning is critical across the Navy and fleet is no exception. It used to be protected. It cannot be any



more. Manning in the fleet, I will just mention a couple of effects that have recently occurred and decisions I have had to take. I have agreed that we will carry only two qualified Officers of the Watch in Major Fleet Units if that is necessary because there is not three qualified Officers of the Watch available for the whole fleet. We have agreed to put senior sailors as XO's of LCHs. Now, while primarily this was because there was not enough junior officers to be XO's I think this is a plus. I think we need to give our senior sailors who are qualified to be at sea more opportunities and perhaps being an XO on an LCH is just a step on to them taking more responsible positions also in Fremantle class in the future. So, that could be an opportunity that has opened.

On home porting, I am pleased to report CN has approved that the last two LCHs based in southern Australia will deploy to northern Australia very early in the year 2000. The FCPBs are still based in the north. The Sydney and Fremantle patrol boats will also move north when Darwin and Cairns can accommodate them. It has been a busy year. We have commissioned this year, HUON, JERVIS BAY and WALLER. We have de-commissioned PLATYPUS, ONSLOW and the first of our DDGs PERTH.

And the year 2000 will see us commission into the fleet LEEUWIN, MELVILLE, DECHAINEUX, SHEEAN, HAWKESBURY and WEWAK. Quite an impressive number will join the fleet next year.

And the other thing that I wish to report in general issues is that our sailors have learnt new skills. Our sailors are now fully qualified chicken stranglers and taken that over from the Special Forces after Newcastle disease which we remember having earlier this year, and have done it very well. Just let me mention some technical issues. Resource constraints that I mentioned earlier mean that we are moving to risk management and not being risk diverse that we were in the past. This may be a not bad thing. It is also making us prioritise operational defects better. We are fixing those that need to be fixed for the ships role, not fixing things just because they are broke if they are not going to be used. It may not be a bad thing. It is definitely going to help us focus our resources better.

For the two high profile engineering events this year, firstly there was the DARWIN main engine failure. Now, the timing of this failure was absolutely critical. It was on the eve of Timor operations and DARWIN was in Darwin. We had the last serviceable LM2500 engine available. The change out was undertaken by a FIMA fly away team in Darwin with considerable technical risk but done in record time and DARWIN was able to deploy and complete her Timor operations.

The second high profile engineering event was BRISBANE'S Mount 51 fire. The cause was a real exploding cartridge and really a failure of people to follow proper procedures. However, the immediate response by the fire fighting, damage control and

ship's crews in general was excellent. FIMA undertook the changeover of that gun back in Sydney, which once again demonstrated their flexibility and capability. In fact, in concluding technical issues, I would say FIMAs have had an excellent year and shown their worth.

They supported FARNCOMB'S AMP in Singapore, they've deployed to Kakadu to support those 20 ships, they are providing base support to all of our Timor forces from Darwin – and as I mentioned, did an engine change out in Bougainville. They have had a great year.

In supply and logistics issues, I just want to mention one or two points. Firstly, the port services and support craft contract we have in place now must be one of the better CSP contracts put in place. It was tested to an nth degree in supporting the units out of Kakadu and survived. It is a robust, flexible and excellent demonstration of Navy and commercial suppliers meeting the need.

We also have other fleet initiatives underway. One of the key ones that we are pushing now is to make ships actually responsible or knowledgeable of what they are spending. It is always easier to be a good buyer if you do not have to be accountable. And one of the new initiatives in the fleet is to give COs and the ship's companies themselves a feel for when they spend dollars what it means to the overall budget for their unit.

I now move on to personnel aspects. Now, everything I have mentioned before concerns personnel as it always does. But the key message I am trying to get through to COs in the fleet this year, is that we are not going to do more with less. We are going to do the best with the resources provided. We are going to try and reduce false deadlines on repairs. This was brought home to me recently when a ship said it had to sail on Monday and it worked all weekend to get there. And when I had a look at why it had to sail on Monday, it was because there was this piece of paper called the "Fleet Activity Schedule" which said, "Sail Monday." There was no operational imperative to work people all weekend.

The second example that was brought to my attention this year was a ship doing its Command Team Training. At the end of the Command Team Training the report said, "This ship really needs another week." The Commanding Officer responded saying, "I can't afford another week because I have to sail on Monday." Why do you have to sail on Monday? Because this piece of paper said so. The team would have benefited from another week and the whole ship would have run better. They are the false deadlines we must remove from our program.

We must concentrate, as I said before, on quality home port time. Clearing courses, clearing leave, making sure our people can relax in their home port and therefore, when they go to sea we will make sure they get quality sea time. There is no such thing as



"we just have fun at sea" any more. We cannot afford that. And I tell people. We cannot afford to steam around, or having barbecues on the upper deck. When we are at sea we have got to work and we have got to achieve the professional standards. And then perhaps spend more time in our home port letting our people relax and to get the skills they need.

Another key focus for us this year in personnel aspect must be public relations. And CN has got some major initiatives underway. Internally, we have got to focus on pride. We have got to make our people proud they are in the Navy. Most are. There have been a few kicks in the guts – as some people have said to us even this year, but their pride is there. And senior sailors in Collins class, now having deployed, is one good example. Externally our focus has got to be pushing our professionalism. We are professional, we are doing the job, we have not failed to do one job this year and we need to tell people that.

Some of the initiatives CN wants to introduce is to get the media out to sea more often and we will be responding. They are very positive. They want to get there. Timor has rekindled the media's interest in

seeing how professional and what people can do in the work place. Our people are good. They are the best across all the services and in Navy. The Sydney – Hobart rescues this year were excellent examples of people working beyond the limit.

Our contributions to the Olympics this year which show Army, Navy and Air Force people up in a favourable light. The media is responding positively. I was pleased to see the welcome home to all our ships did not focus on the Senior Officer interviews but focussed on the sailors and the wives and the children. And that is great. And that is what the media wants to see.

I guess the test for us is how do we keep these people. With large numbers walking out the door and not large numbers coming in the door, we have got a real challenge to keep the people we have for that longer period and to attract others in.

In conclusion, they are the brief highlights of Maritime Command and the Fleet for 1999. We have met the mission. We are brittle in several areas and we need to address them. My intention is not to burn out our people. My intention is to get them to do the best they can with the resources I am able to provide. Thank you.



Forward Looking



Symposium '99

On Watch Report – Support Command

By RADM Kevin Scarce, CSC RAN

CN, ladies and gentlemen, my on watch report is going to cover a bit more than eight hours. (By Ed: Admiral Scarce assumed duties as SPPCOM-N on the morning of this presentation.) The scope of what I would like to address you can see before you. I am the recipient of some very effective work from my predecessors and today I want to concentrate on the stewardship reports for what we do. Our aim, this is excellent. And you have heard the Maritime Commander talk about the success of his maritime operations. You do not have successful operations without successful logistic support. That does not mean that we are complacent. That does not mean that we have not got things to do. But it does mean that we are in the right ball park.

The second part, and equally important, is not only what have we done but what are we doing. Major General Des Muller has led the Support Command Australia of which the Navy component is an integral part of it. He has led this for the last two years with a very strong vision. And the emphasis there is on an integrated business team. What I hope to show you during this very brief presentation is just what we are doing to address those issues about the future. About how we are going to develop the culture of the organisation. And you will hear more of that tomorrow. How do we develop a culture within the support organisation not noted for it and not noted for a positive culture? How do we develop that into a team that thinks about the modern integrated business of logistics?

Before I start that I would like to address the issue that we grapple with on a daily basis to give you some view of the challenge that we face in providing logistic support to the Fleet. The Maritime Commander has already mentioned the fiscal crisis and I call it a crisis. This year for the first time we have been able to develop a budget by class because, as I have mentioned, of the work in establishing class Logistic Offices (CLO's) by my predecessor. That exercise showed us that we have a \$750 million shortfall. That is a tenfold increase on the previous shortfall that we have identified. Now, I am not going to stand up here and say – put my hand on my heart and say we need that \$750 million. But what it showed from a zero-based activity from each of the classes that if we went back to extant guidance from Navy and Support Command Australia, that was the budget that we needed.

We have under-funded maintenance activities for the last decade, but we are now starting to reap some of

the consequences and the Maritime Commander mentioned this bow wave of unfunded maintenance activities and inventory purchases. To try and lend some credence to it we got a independent assessor from Price Waterhouse and Coopers to come in and look at our inventory. Their estimate was that we are taking out 60 per cent more than we are putting in, and that has been happening for the last three years. They estimate that we need \$80 million to get the inventory up to a level where we can provide 85 per cent availability. And they estimate that the ongoing investment per year required is \$130 million. We are putting in less than \$100 million.

My colleagues in the fleet have estimated that the maintenance activity in FFGs of unfunded activity is in excess of \$7 million. These are critical issues for us in the future. That does not mean we put our hands in our pockets and say it is all impossible. What we are doing now is going back and looking at those guidance documents to make sure that they are appropriate for us in the future and we must go through that process.

We must also articulate the operational impacts from our logistic inabilities. We have not been good at that in the past. One of the prime outcomes from TNT that I wholeheartedly support is the co-location of the CLO's with the FEG Manager. By bringing those two people closer together we will get a much better understanding of the operational requirement and, daresay I, the FEG Manager will get a better understanding of the costs of owning that capability. What it shows us is that we have either not enough logistic money for the capability or too much capability for the logistic dollar.

That has been represented to the DEFEX (*Defence Executive*) in May and in my view no decision was taken on that first run through, perhaps because they did not have faith in the figures that we are providing. It has gone up again. Our figures have been looked at by RFP. I am sure that we will be put to the test again, but we simply have to reconcile the capability that we have got with the logistic dollars that are available.

If I move on, very briefly I would like to address what we have done during the year before I move onto the vision. The Maritime Commander has mentioned about the success of Damask. We had an LSE (*Logistic Support Element*) up in Bahrain again and once again we learnt more lessons about getting better value for money and we will reapply those lessons if we go up again.



Operation Warden – the lessons we learnt there are primarily my joint responsibilities as the ADF provider of fuel, compartmentalisation of knowledge and of what was going on prevented us from being effective in the initial stages of this exercise in delivering the logistic support that we required. I have heard a number of reasons why this is the case but it seems to me as if we are going back to the bad old days of keeping the logisticians outside the inner circle. That is simply no way to effectively support operations.

The other thing that Warden showed us is that our information systems from the unit level to the strategic headquarters suck and we need to put a lot more effort, intellectual power and money into getting that relationship right and as you have heard this is not a great environment to invest money in longer-term goals.

If I move along, WESTRALIA, a \$28 million repair and refit activity which is on budget and on time to deliver WESTRALIA to the Maritime Commander by 28 January. An enormous amount of effort, good work by the ship's company, by the contractors and by the management staff from the Support Command Navy.

Maritime Commander has mentioned about the LOTE (*Life of Type Extension to the LCH's*) – the LOTE activity started in October. That is progressing well, and you have heard that the Maritime Commander and the Chief of Navy have gone for the sixth vessel.

JERVIS BAY – a success story. You just cannot conceive that you could bring a new capability into being within a period of two or three months. It was honchoed by the effervescent Commodore Cox and he and the Support Command Team managed to negotiate a fully commercial contract in a period of about six weeks. It was an excellent effort and I understand that JERVIS BAY is doing what we expected it would.

LPAs – there will a lot said on the LPAs over the next few months. The Maritime Commander has mentioned that MANOORA is at sea. It is a great effort from the ship's company and the team. We have learnt lots of lessons in the LPA that we must make sure that we employ as we go into FFG (FFG Upgrade) and those other activities that require a mix of refit and capability improvement.

Collins Class – the transition from build to in-service support is going to cause a challenge for us. We have a predominantly billed contractor in Adelaide and we have to transition an in-service support arrangement, an effective in-service support arrangement, across to the West. It is a challenge for both of us. We have started with a longer-term arrangement between the two companies and I suspect in the longer term as we put more effort into that we will see some fruits from our labour.

Already we have tested the cradle in the West. It has been certified so that we can start in the immediate future some ID activities in the West rather than having to go back to Adelaide. And from our perspective, Support Command Australia Navy is undergoing an ID activity in Adelaide at the moment with the change out of the Collins battery and that seems to be progressing reasonably well at the moment. The inventory review – we have been criticised by the DER, that august body of – I see a number of members here on the front table.

The inspector generals had a go at us, and reasonably so. We have got a lot of inventory there. We are not sure whether it is all used frequently. We have done the first run through of the exercise and we think close to 200,000 items are in excess of our requirement and a fair proportion of those are obsolete. It is even more critical today to get them out of the inventory quickly because we start to pay a penalty under the accrual accounting scheme. So we are putting maximum amount of effort to getting those off the books as quickly as we can, making sure that we do not retire pieces that we need.

And the Asset Disposal Program – we have sold those ships. It was a lot of bloody activity there for not too many dollars.

If I can move on to the challenges for us in the future. My predecessor started what he called Vision 2001 for the Commodore Logistics Organisation. In essence, it is trying to get to that vision of being a modern integrated logistics business. Back in Admiral Campbell's time there was a review of the effectiveness of the support of the organisation to the fleet. The fleet did not value our service, we criticised ourselves for being silo bound. We had silos of engineering, supply and maintenance activities. They did not talk to each other, they did not understand the pressures that each were under. They did not understand the time constraints and this aggregated the logistic support that we provided.

I have talked about the first part of the change process of moving towards a class based organisation. For the first time this year we passed all Support Command funding through a class base organisation and I might add we did this with the full support and intricate involvement of the Maritime Command. The Support Commander does not decide where logistic dollars will be spent. That comes through the class logistic officers, agreed by the Maritime Commander, and finally ticked off by CN and CNSAC? That is the first part of the exercise.

The second part is how are we going to deliver this in the future? Captain James Godrick talked about – he did not like to use the term, but I think I will, parent Navy responsibilities. Whether we like or not, we have a couple of classes of vessels that have to be supported within the infrastructure available in Australia and that comes at a cost.



We have a mix of older class and newer class vessels. The older class are predominantly supported from in-house arrangements and with the newer classes of vessels we are moving towards performance based in-service support contracts. Those contracts we see as being the most effective way of utilising both the defence and industry infrastructure for the delivery of support for the future. We will be moving towards those contracts. Very little outside the class logistic office will be corporate governance as we move towards that goal. That means that the Support Command is about to undergo a very large market testing activity. It will be done in stages and it will be done as we have the information by the class that enables us to go out to industry. In some instances, we will be putting forward the in-house option. In other instances, we will be relying upon industry to deliver the integrated materiel support that we require for the future.

Part of the process will be ensuring that we understand what the cost drivers are and doing a base line exercise to make sure that the way we are moving is, indeed, the most cost effective way of delivering logistics for the future.

Let me just finish on the long term refit strategy. Refit and repair capacity far exceeds demand in Australia. Intuitively, you would say that is good, a buyer's market. That has not been the impact that we have felt. We find now because of the competition, because we serially compete individual maintenance activities we are finding that industry is no longer investing in facilities, infrastructure and knowledge. We are finding that they bid at the lowest possible price and expect growth to make the profit margin that they seek. What this does for us is give us a huge variable cost, additional cost for unplanned growth.

Our approach to remedy the situation is to try and introduce a project management skill that currently is not with industry. That skill we are seeking on both coasts to integrate the delivery of refit and repair work across the whole of the fleet so that the contractor provides a steady stream of work over a long term relationship with a bunch of sub-contractors that we and he are happy it can deliver the logistic support that we need. We have taken the first step by getting some expressions of interest from industry. We had 16 companies who quoted on both coasts for this work. We have narrowed that down to five. We are in discussions now with the five companies to look at how we might develop an incentive based performance contract for the delivery of refit and repair activities for all of the vessels on either side of the coast. When I say, "all of them" all of the major vessels. Those discussions were completed at the end of January and we expect to issue an RFT early in February with a view to getting into an arrangement by September next year.

I mentioned part of the component of the Support Command Navy is ammunition. This is an area that has undergone extraordinary change in the last two years. We bought three separate procurement maintenance and distribution systems, crunched it together, and told them to get on and re-engineer so that we had a single process that comes out of that and that makes sense. And at the same stage we said, yes, that's fine, we also want you to CSP (*Commercial Support Program*) the activity. This is a huge CSP activity encompassing more than 500 people, at the same stage that we are trying to re-engineer the processes from which we will have a sensible CSP contract.

Needless to say, Captain Keith Malpress and his team are exceptionally busy as they are trying to produce the CSP activity, plus re-engineer the processes, plus provide the normal level of support for Operation Warden and all those operations that we have, plus maintain a couple of very long term base ammunition agreements. They have made some good progress. There are lots of challenges ahead for Captain Malpress and his team. What they need is some stability so that they can bring these changes to fruition.

If I adlib this next section on technical direction, the Chief Naval Engineer will have my guts for garters, so, you will have to excuse me if I have a read.

Organisational changes over the last 15 years have resulted in a partial breakdown of the engineering processes controlling the quality of design, production and maintenance of Naval Materiel. Since August 1997, CNE has been engaged in development of a new technical regulatory system that is better adapted to today's relationship with the industry and the wide diversity of the equipment and service for the RAN. Attention has also been given to repair some of the processes of the old system while the new system is phased in. The new regulatory system, the key elements of the system are a documentation of Navy user requirements for Navy Materiel and a set of standards that evolve into corporate memory of risks and lessons learnt. Using the standards as a benchmark against which to assess class specific design and production rules that will be baselined as the certification basis for each vessel class.

Thirdly, application of the certification basis to constrain design, production and maintenance during the acquisition and in-service. Certification by the acquisition organisation and the in-service support organisation that a vessel complies with the certification basis. Finally, on the basis of the system and physical audit by C&E, periodic reports to CN of the confidence he can have in the materiel integrity of the fleet. Whilst work is progressing on the new framework, C&E has revised the design control processes applied to new acquisition and in-service

modifications. It reviewed the configuration management documentation and practices and produced the terms of reference for a review of quality assurance practices for in-service report.

It is way ahead, the thinking behind and the documentation of the management of materiel integrity have been the core of NMRs activities for the past two years. C&E is confident that the changes will remedy the many faults and gaps that have become evident in recent years and that the regulatory approach is both consistent with the approach familiar to the maritime world outside Navy and with the work being done on a common regulatory framework within the ADF.

To conclude, tomorrow you are going to get some specific details about the TNT.

Whilst Support Command to Navy is outside the Navy program, we are very much part of this process. TNT is vital for Navy but it must not obscure the fact that the future of support at this time is joint and that the Joint Support Command has embarked upon its own change process for the past two years. That change process is vital to all of our future. We simply

must drive down costs and improve the effectiveness of Materiel Logistic Support delivery. The way to do this is within a national framework that facilitates the delivery of joint logistic services and systems to take advantage of national economies of scale.

You will be very happy that this is the final remark. What I have attempted to show here is where we have met the fleet requirements this year and what we hope to do to achieve a business relationship for the future. I have not dwelt too much on what has been achieved this year. We do have excellent service and civilian staff who have delivered the products over the past year and, indeed, previous years. They are under considerable strain because their future, their jobs are on the line. Despite this, they are delivering the goods both now and they are planning for the future.

After being in the job for eight hours, I am confident that they will meld with the TNT requirement, produce the information that enables us to make sensible decisions about how we are going to invest logistic support money into the capability of the future. Thank you.



Remember the Past, Build the Future



Symposium '99

On Watch Report – Naval Training Commander

By CDRE Nic Helyer, MBE RAN

Chief of Navy, sir, distinguished guests, ladies and gentlemen. What a great time to be part of Naval training. The enthusiasm of our young dragon boaters certainly is catching. The contents of that video are just a sample of the many things that have been happening in Naval Training Command (NTC) since the previous Naval Symposium. It is not only a historical record of our core business which is developing and improving Navy's people, it also sets a positive trend for the way in which business – the business of training personnel, will be conducted in the future.

Delivery of training in more flexible and imaginative ways is an objective that we must pursue. Rationalisation and commercialisation of training provision where possible and practicable is an objective that must be pursued. Development at both the personal and organisational levels again is an objective that must be pursued. Naval trainers need and want to contribute to the Navy and the broader Defence organisation becoming more effective and efficient. Our mission is to prepare and develop people for the Australian Defence Force to be able to fight and win. Our vision is to be acknowledged as a leading provider of vocational training in Australia. We are adaptive and continually improving and we will be so in the future.

Now I would like to reflect a little on the initiatives I have just mentioned. I want to tell you about the foundation we have built in order to take Navy into the next century. As far as the flexible delivery of training is concerned, NTC has continued to look for opportunities to provide flexibly delivered and technology based training. Training provision for the Super Seasprite helicopters is especially exciting. The training planned to commence next year for both maintainers and aircrew will be delivered with extensive use of simulation. Part task trainers and other technology based training.

The simulator is a six axis full mission flight simulator, day and night with a wide angle computer generated visual system. Scientific Management Associates (SMA) who are already under contract to deliver a variety of training to Navy will deliver the training as a subcontractor to command under a 10 year integrated logistic support contract. This will ensure that the training needs of this complex state of the art weapon system are met from introduction into service through to system maturity and beyond. Whilst SMA will provide the continuity for ground

based training, a limited number of Naval personnel will augment their trainers to maintain the military presence and operational currency. This contract confirms our support of the Australian training industry and our commitment to out sourcing training where appropriate.

The Super Seasprite training will include instructor led presentations, simulations, video, practice questions and some tutorial material that will be seamlessly integrated using technology based training methodologies. The TBT based simulations, videos and tutorials are being developed to minimise the need to use the real aircraft. Of course the aircraft will be used as part of the training curriculum but by using state of the art ground training facilities we will maximise our value for money. Limit the number of expensive aircraft hours needed for training and ensure that aircraft are more available for operations.

Our Super Seasprite aircrew and maintainers will be offered leading edge world class training. I have no doubt that the trainees on the Super Seasprite training courses will appreciate the quality they receive and that they will be recognised for the quality of skills the training develops in them. While speaking on aviation training, observer training has also benefited recently from being updated into competency based training format. It was the first major aircrew course developed in this way. The first trainees will graduate from this course next week. The course is focused on providing observer candidates with the skills required to step straight into training on the Seahawk or the Super Seasprite.

Navy has invested heavily to provide the funding required for a third King Air navigation training aircraft at Sale. This will allow Navy trainees to fly the entire course in the front seat of a modern aircraft with glass cockpit technology similar to that in use in the Seahawk and that plan for the Super Seasprite. Of course another splendid example of the use of technology and computers to support training is the WATSON Bridge Simulator. The original simulator was commissioned in 1985 and built by Krupp Atlas at an initial cost of eleven and a half million. It was the world's first military application of bridge simulation. Even back in 1985, our training was already leading edge.

As recently as March '98, the bridge simulator was upgraded including new software and hardware and improved visuals. The cost of the upgrade was \$6 million. While those dollar figures may seem luxurious

in an environment of reduced spending as we have heard from the previous speaker, the value they add to the training experience cannot be summed in dollars alone. The safe and stable environment it provides, for development of skills required on the bridge and the fact that any set backs personnel may experience while learning their new skills, does not result in catastrophe, no dollar value can be assigned to that.

I think that my view of the value it adds would be supported by any of you who have undertaken training in the simulator. Given the courses that have a component conducted in the bridge simulator; the Coxswain design course, the advance navigation course, the surface combatant navigation course for majors, the navigation core skills course for minors and the Senior Sailors navigation course. The bridge simulator is an extremely valuable training asset.

And as we heard, during 1999 nearly seven and a half thousand hours will be devoted to development of navigation skills for naval personnel using the bridge simulator. It is mind boggling to imagine attempting to develop the skills required of these personnel to such a high standard without the use of this kind of technology.

Another project where technology has been utilised to enhance training is the development of a computer aided instruction package to support visual pilotage. This is a cooperative venture between the RAN and the Singaporean Armed Forces. The Singaporeans are funding the initial computer aided instruction project and the RAN is providing project management services over the contractor, an Australian company import corporation. We are also providing subject matter expertise.

The package will include an introduction to pilotage, bridge organisation, planning for pilotage, briefing and debriefing for pilotage and execution of pilotage. The package will include a mix of interactive tutorials, guided simulation and narration by experienced pilots. While this software will not replace on-the-job training it is expected to expedite training so that officers more quickly obtain a level where they gain the most from the on-the-job training and consolidate more effectively. It will also be useful for regular refresher training as and when required.

Another success story is in the use of technology in the provision of training for the MHC. Mine Warfare Faculty has provisionally accepted its combat and platform systems operative trainers and some minehunter training equipment during this year. The project include simulation software as one of the project deliverables. Experience in projects, such as the Mine Hunter Coastal and the Anzac Ship project which have noteworthy training components have made Navy trainers aware of the importance of training representatives becoming involved in project development from the earliest time.

We view our involvement in projects as our contribution to the Navy's goals of operations and preparedness and for structure. Through our involvements in projects, we can exert our particular influence on new capabilities that effect the Navy key result areas of having a diverse and capable force and Navy's ability to participate effectively in joint and combined operations. Capability projects now have training consultants and services provided to them through the Annex in Canberra, where I have a dedicated position liaising with project officers to insure that training matters are thought out early in any project proposal and remain on the table through the project.

One last example of flexible ways to deliver competent members involves the Skills Development Centre concept. This arose from a need to deliver Marine Technicians to the fleet who are better prepared for a sea-going environment. Its vision is to increase throughput and improve the quality of ITT graduates. It also seeks to minimise the impact of technical training at sea. To improve the contribution that FIMA make to the materiel condition of the fleet and to reduce the premium on ship's support costs through a consistent FIMA capability. I agree with the Maritime Commander that they have had a great year.

Having a Skills Development Centre will enable competency based skills development to take place in a realistic environment where low risk production work will be undertaken while the individual is becoming competent and undertaking competency assessment. It is almost like a work place simulator to develop the skills required of technicians. It allows them to develop a competence in a work place doing real tasks while reducing the requirement on the fleet to provide opportunities for inexperienced technicians to develop their skills. It value adds to the individual member and their skills development. It value adds to the work that FIMA can undertake and it value adds to the Fleet by sending them sailors who have already been deemed competent. This concept is still in its infancy and there are some hurdles to overcome, such as funding and finding suitable venues. But given the funding and venues, it is an investment in the quality of our future technicians. Watch out for more information on this exciting new development, as well as other developments in flexible delivery of training in the future.

As far as rationalisation and commercialisation of training provision is concerned, Navy trainers have been very successful in the recent past. And the cookery training shown on the video is one excellent example. With the skill of catering contract it took a while to raise the TAFE people's awareness of military requirements in the ADF environment. But activities such as ship visits and a visit to an Army field catering unit have been well received and successful. There are still issues with the development



of a military ethos in the trainees and that will receive our continuing attention. But initial feedback indicates that the school promotes excellent cooking skills.

In fact, a combined ADF School of Catering, Chisholm Institute team was awarded the gold medal in Victorian Culinary Championships in June this year. I trust you will not dine so well on their fare that your ability to pass the RAN physical fitness test is impaired. It took 15 years to see the delivery of the ADF Common Initial Cook Course but the ADF School of Catering is now promoting a cohesive tri-service environment and we have reason to be well pleased with the fruits of that effort.

Another way which NTC was able to utilise a commercial training solution and also participate in achieving a diverse force was our involvement in bringing INCAT 045, the devil cat, or more correctly *HMAS JERVIS BAY* into service. I acknowledge that my colleague, Commodore Tim Cox, did all the wheeling and dealing but I paid the bills. It was prepared to operate as part of Australia's amphibious lift capability and support of the Interfet Forces in record time.

One final example of rationalisation of training in the recent past, is the establishment of the Australian Defence College. The Defence Efficiency Review identified the need to rationalise staff training across the three services and the Australian Defence College was the result. This year the college conducted the inaugural Defence Staff Course between January and May and the inaugural Defence Strategic Studies Course between May and November. These courses replace the Joint Services Staff Course and the ACDSS. The replacements of the single service staff courses will commence in January 2001 subject to facilities being available. And work is well underway within my organisation to transition that to the new authority.

Now, speaking about NTC, its people and the organisation. We have heard much about today's challenges and the constantly changing environment and we are trying to be proactive in pursuing internal alignments so that all of our members recognise how they are contributing to both Navy's and Defence Force's goals.

As you have heard, we have embarked on a culture building program in order to align our culture from senior management through to each and every employee. Work on bench marking the current status of our culture was commenced by the Strategic Development Organisation with implementation of an organisational cultural inventory. Lead Authority, Leadership Management and Personal Development, Captain Mike Smith, will be implementing a culture building program command wide next year and possibly a lot further.

These are the components of the culture building program. We articulated our mission and vision statements and I mentioned these at the introduction but they are worth reiterating. To prepare and develop people for the Australian Defence Force to be able to fight and win. We now train all three services and civilians in our establishments. Our vision is to be acknowledged as a leading provider of vocational training in Australia when determining our strategic goals.

We use the balance score card and I would think that most of you, certainly at a senior level, are familiar with this by now. It allows our organisation to acknowledge that profit or finances are not the be all and end all of business planning but to balance the score card, so you look at processes, customer requirements, development of your people as well as the obvious financial underpinning of all of that. In our balanced score card, our people, our strategic goal is that we be highly motivated, adaptable and well trained and that we continue to contribute positively in an environment of continuous change. Our business processes, we want them to be well designed and to be implemented and to be continuously improving and supported by integrated and reliable information systems.

Here again, we are moving to tri-service use of common systems for training and personnel management. For our customers who are many and varied we provide the Commanding Officers and supervisors in the work place with well trained people who are fit for purpose. But our trainees are also our customers. We provide them with training that makes them confident in their abilities to apply that training in the work place. And for all of our customers we hope to be responsive to their changing needs. For our resources we provide maximum return for the Defence dollar by optimising their use no matter whether they are people, dollars, facilities or equipment.

In order to implement that strategic plan we have identified a number of key result areas, staffing in the command with the right people, creating the right culture, optimising our resource use, working in pursuit of innovation, achieving accreditation, which is important to the individual, maintaining influence and capability development, meeting ADF corporate obligations and delivering the right education training for Navy's people. Of course, continuous improvement of each of these key result areas is tracked through the performance indicators. Through the NTC's strategic plan and the performance measurement framework we communicate what is important to every level in the organisation. We attempt to bring all areas of NTC into alignment. This should give leaders empowerment to take control of their area of responsibility and make decisions on



what is really important and be accountable for those decisions based on the best information available.

We have noted over the past 12 months that the use of the balanced score card as the foundation of our performance measurement framework has resulted in driving performance of all levels of NTC towards our stated goals. The beauty of this framework is that because the links are so clearly drawn to Navy's goals, no matter what the shape of the training elements in Navy in the future their contribution in achieving Navy's goals can still be drawn.

Members of NTC can be proud in saying, they know their contribution counts. It is no accident but collectively we achieved a green light for training implementation in the recent September quarter. One of our stated goals is the achievement of the status of a quality endorsed training organisation by June 2000. I am pleased to say that the lead authority submarines has already achieved this status, both QETO and ISO9001 earlier this year. It is also pretty unique in that there are three QETO endorsed training providers operating jointly from that side; two civilian contractors, one Navy.

The Navy hiring external training providers under contract, the beauty of QETO recognition is that it gives a confirmation to the company's seeking the

tender are a quality organisation and that they seek to achieve quality in their processes and outputs.

For Navy achieving QETO status is recognition that we two have quality processes and provide quality training. Something we have always known but not something that has been overtly recognised by the wider Australian training community.

Speaking of training, the dragon boat team is a great credit to the innovation and determination of our sailors and the officers at the middle and junior level that lead them. And it is great that Sooty Winter is here in the audience this morning and will have the chance, no doubt, tonight over dinner to tell you a lot more about it.

In summary, in recognising the special leadership qualities of my predecessors, Admiral Briggs, Lord and Scarce, NTC has been a very dynamic place over the past several years and will continue to be so. Our priorities for next year include achievement of QETO accreditation, implementing the ADFA 2000 program, progressing the capability development program, implementing the RAN fitness test, making improvements to the training pipelines with Collins, Anzac and LPA crews, continuing implementation of the WESTRALIA BOI recommendations, improving throughput and retention of junior seaman officers

and people across the board, and implementing tri-service training initiatives.

We have a busy time ahead and no matter what shape naval training takes in the future, naval trainers look forward to being responsive to our training needs and providing you, our customers, with well trained people who are fit for purpose.

On a personal note, the end of my watch is around the corner and I have every intention of handing over a vibrant, responsive and people focused organisation to my successor. Rest assured from my perspective, we still retain outstanding people who are dedicated in the service of their country. Thank you for your attention.



Training for the future.



Symposium '99

Navy Personnel in 1999 – Head Defence Personnel Executive

– Major General Peter Dunn, AO

Sitting here this morning, I can honestly say that I am really proud of my Navy. And I can call it my Navy and that is because I can talk as a citizen and a member of the ADF. The Royal Australian Navy has been a part of my family life. My father, my father-in-law both served in the Navy and I hate to confess this but I actually considered joining the Navy.

Fortunately, for personal reasons I went down the Army line. But I am genuinely proud of the Navy and I keep asking myself, if I can see so much good in the Royal Australian Navy, why is it that the Navy is going out the door backwards. Why is it that we can sit here this morning and see so many outstanding images of the men and women that make the Royal Australian Navy what it is, look also at the background and see where it has come from and yet still have issues that we have got to tackle that are seemingly insurmountable at the moment. I do not think they are insurmountable. I think that actually we really need to take stock, look at the good things that we have got, work out how to market it and in particular, look at our image.

Now, I am going to talk in essence about three things this afternoon. Image and the effect that problems with image have on, in this case, the RAN, both in terms of bringing people in and keeping people in. The vexed issue of retention and recruiting and I put them in that order quite deliberately, and then I am going to suggest some areas that we need to actually look at when we get to realising the circumstance that we have and where we might be able to make some material difference in a pretty short time to what we are on about here, that is the people side.

I am going to show you some data because we are in a data-rich environment. We have done a lot of research since the DPE was constructed two and a half years ago and we have also pooled a lot of research that was extant and we have pooled it from our coalition partners, our colleagues, our brothers and sisters in arms from other nations. And I will give you some perceptions on where I think we need to go if we are going to achieve the outcomes that we absolutely must achieve for this country.

There is absolutely no shadow of a doubt in my mind that unless we have a truly effective Navy out there, then we should give the game away, and that the Army and the Air Force are not going to do it for us. The only way we will succeed and the only way that we have succeeded in East Timor is because the three services have put all of their best feet forward

together. We cannot afford to have anyone of the three slipping off the perch.

Okay, image. Image is critical and I would have to say that I spend far too much of my time worrying about the image that is conveyed out there in public land, particularly on the image of the RAN.

Now, many of you sitting here would say, "God, here we go again. Why are we dragging these things up? Aren't these behind us?" Well, I am sorry to say that these issues are not behind us because right at the moment we are running a recruiting campaign, one of the biggest ever that has been in the media. Certainly in the Navy's case the biggest since 1994. And we are doing it across the three services and in Navy's case the investment that we made in the additional recruiting effort has increased the number of inquiries some meagre 6.5 per cent. Army's increase in inquiries is 48 per cent.

The Air Force is recruiting and has been recruiting and retaining at a good level throughout this critical period of the last two years, and there has been a marginal change, indeed downward, from inquiries for the Air Force but that is not concerning us because they are so high anyway. But Navy's image is effecting the people out there to the point that despite the massive investment in the advertising that is going on right at this moment, we have got a very minor increase in inquiries.

Now, during the Crossing of the Line exposé, I am sorry to have to say that not only did we get a whole series of complaints phoned in, but we also had cases, three separate incidents here in Sydney in Pitt Street, where recruiters were harassed by members of the public and we had a number of cases where parental or guardian approval was withdrawn from naval candidates about to enter the Academy. Those sorts of issues do not get a lot of public airing. I would hope that they would not get a lot of public airing, but I draw the point and I draw your attention to the point that an incident such as that, that gets very good running by the media, has a material affect on our ability to recruit the public into, in this case, the RAN.

Now, of course it does raise equity and diversity issues, so be it. But the major issue of course coupled with bad publicity associated with the submarine project all creates a climate where people say, "I don't want to join that organisation." My point in raising it here is to say it is everybody's responsibility. Not only those people in the Navy, all of you, but it is my



responsibility, the Army's responsibility, the Air Force's responsibility to manage that image and now to elevate that image.

Indeed, it was interesting to hear an image coming up in one of the other presentations this morning and we have got so much to sell and we have got to find the way with all to actually get that before the public. Because we have a fantastic product to sell. Do not be under any illusion that the buying public out there is convinced at the moment because they are not. And we have a huge task ahead of us to swing that around. I am confident that we can swing it around. Whilst we have only got six per cent or so increase in inquiries at the moment, I have very little doubt in my mind that the continued advertising will have its mark because Navy has been out of the market for some five years.

It was 1994 when the last television advertising was run for the Navy. Now, I cannot tell you why it has not been running since 1994 but it sure as hell is running now and it will keep running. And six per cent will build on another six per cent, will build on another six per cent. We are back in the market but we need to watch the image. That is everyone's responsibility. We all own it and we need to accept that we have to do something about it.

Okay. Moving on to recruiting and retention. It is little use improving our image and improving the recruiting numbers if indeed, people walk out the back door. And that's what's happening at the moment. You heard this morning that the Navy is certainly not, as you all know, not at its 14,000 strength where it should be and it has gone down passing through the 13,000 figure. So, there is a real issue here and that issue is how we bring the people in and, more importantly, how we actually keep them in. There are critical areas and I know you worry about them as well because they are the life blood of the Navy's operation. There are others, too. But these critical areas are ones that we really do need to have some lateral thinking about.

We should be thinking – and I know we are thinking, that we wish we had some more time to think about how we would bring technicians into the organisation and just what levels we should bring them in and how quickly we can bring them in. I do not think that we should be at all adverse to laterally recruiting specialists. And we need to find ways of actually making this work for us, rather than putting in place a series of very rigid frame works that actually exclude a number of people. In the aviation trade, I am pleased to say that we are going a long way down this path. The other trade categories, I am not so confident.

So, we do need to look at what is out there in industry and we do need to look at ways that we can get those skills and get them in very, very quickly. Because if we put barrels in the way of those specialist people, those barrels will serve to bounce people right back into the civilian community.

Now, on recruiting, let us have a look at the figures that are out. We have had a target so far this year of 573 enlistments for the Navy and we have achieved 242. A 50 per cent achievement, thereabouts. That is not good enough. You do not need me to stand here to tell you that. But that is the order of the challenge that we must face.

And if we do not address that and do not address it in a hurry, then we are certainly going to continue to go down in numbers and all those good things that you say this morning will be for nought. But that is where we are at. Interestingly enough, when we look at the other services, the achievements, certainly in the case of Air Force and Army for other ranks is in excess of 80 per cent of the targets to date. So, we have some hard issues to face and I will peg this back to image in large measure.

Now, if we follow through the 12.62 current separation rate, 60 per cent recruiting achieving, 60 per cent recruiting achievement, 23 per cent achievement so far of the full year target. There is an issue here. And all of us have that responsibility. We all put as much effort as we possibly can. We are recruiting these people but at a 12.6 per cent loss rate, we are starting to verge into areas where for military forces we are in the critical zone. Thirteen per cent plus in a military organisation is a savage separation rate.

And I know it is entirely different out in private enterprise, if you are running a 13 per cent separation rate you are doing pretty well. But we grow our own. We have to. So, we have a real problem if that retention rate keeps on going in the wrong direction. And separations keep on climbing. If we cannot match that with recruiting, then we are in trouble. But also, if we do not match the recruiting, if we put all our efforts there into getting those recruiting figures up, are we actually achieving all that much if the folks that are getting in are actually walking out the back door. So, they are in the front door and out they go the back door.

We have got an extensive amount of data that helps us to look at these problems and we certainly need to dust off the books right now. We have had the census just recently, that data is being analysed right at the moment. We have had a very large attitude survey. The idea of attitude survey, actually gave us some 10,000 responses – a huge survey. And of course, we have got our exit surveys and we have had a number of consultancies looking at various issues about the recruit services and speaking about service splits. Within the Personnel Executive, we have a Director of Strategic Personnel Planning and Research. They are devoted entirely to researching the social and other people issues that relate to the ADF.

And we have got some interesting results from this. From the exit survey, we are seeing that there are five top reasons and I do not think that any one here would



be surprised to see those. We need to consider what we are doing about it. Because I am going to go on in just a moment and we will see some more data that drives us to some pretty far conclusions about the direction that we should be taking in order to make sure that our retention is the best possible level that we can achieve.

We have done some research and we have created a thing called, "The Career Decision Support System" – it is a computer model. It allows us to model what makes people go – that is choose to leave, or what makes them stay. Now, like any model it is only a tool.

Those of you who have been involved with the DPE and a generation of completion incentives, will have come up against this beast. It is only a tool but nevertheless it gives us some more insights and coupled with what I have just shown you about the exit surveys, let us have a look at some of the data that comes out of this. And let us have a look at the influences. The main influence that shifts people out is job satisfaction. Now, funnily enough that sits up there in the top five in the exit surveys as well. So, we are starting to get a correlation here.

And indeed, it has a positive influence on many. Those that are enjoying job satisfaction and actually get job satisfaction, rate this is as the number one reason they are staying. And can you see the connection I am drawing here. It is an absolutely volatile statistic. And if people do not get job satisfaction, it is a driver. They choose to leave. If they do get job satisfaction it overrides all sorts of other issues and they will put up with it because they damn well enjoy doing what they are doing. You saw images of that this morning. Promotion chances, the opportunity for promotion actually tends to keep more people in than it pushes people out if they see that they have not got that opportunity. That is an important one.

Bonus, in terms of cash bonuses, that has a significant effect if they are provided at the right time. So, there is an element of dollar in there but we are talking about bonus not salary and partner support. Partner support, if it is there, is a huge influence on people actually staying in the organisation.

If we split this further and we look at the sailors and officers in this case, so we are putting the Navy figures here, job satisfaction – this is, choosing to leave the Navy, the biggest influence is – the thing that drives people out of the Navy more than anything else – and in particular, sailors out of the Navy is job satisfaction. Promotional opportunity comes in roughly second, the types of engagement, the length of engagement. Pay rates is there, though it is a small influence. Education is there, a small area of influence. Now, anything that rates on the scale has got to be considered. But look at the differences. Remember it is a tool, a model only. This is not the be all and end all.

But it is job satisfaction. Whether a person gets up in the morning and says, "This is great. I cannot wait to get to work." "I cannot wait to get to do the things that the Navy is going to allow me to do." It is fundamental. And yet, sitting in the DPE when I talk to people like a Warrant Officer in the Navy or the Chiefs or any other of the folks that constantly have communications with us, we are talking typically about the conditions of service issues. Now, I am not trying to push those to one side, they are important. But I do not have nearly enough conversation with people about job satisfaction. So, how do we make people wake up in the morning and say, "This is great today. This is worth doing."

If we split it even further, male, females, other ranks or enlists and officers we still get job satisfaction no matter which way we cut it, job satisfaction is up there. So, I think I have laboured that point enough. I think we all need to consider how we give those people that we need the satisfaction each day when they either get up out of their bunks when they are at sea, or at shore postings, they get up and say, "This is a real challenge."

In order to keep retention up, or to get it up, we have to look at job satisfaction and then we provide the recruit with that image is worked on. But that image has to be worked on, it is not going to do it by itself. There has to be some really good – to use the jargon, corporate frame position here of the Navy and boy, have not we got a fantastic tool to work with. Let us do it. That is the key. And that is a Navy issue. It is also an Army issue and it is an Air Force issue. And we are in a position to help provide information there but this whole organisation, the RAN, has to do it to itself. And as I said, the tools are all there, I am absolutely certain.

If we now go into the area of partners and families we suddenly find that from another study, I think rather aptly titled, "Defying Gravity", we have analysed and then annexed the partner's support in the ADF and what we have found is, despite our very best efforts to put every partner and child off the ADF, in this case off the RAN, because we move people around, we have asked them if we were very demanding things, etc, we still get very, very good support from partners and from children with regard – either partner or parent, being in the services. It seemingly does defy gravity.

But when we look at the ADF member – hey, we are all in this, and we look at the Navy side of the house, we worry about our families and we worry about our children, quite naturally and we take steps often to separate them from the service because we are not giving them the family life that we think they should have. So, it becomes a real issue. Stability is a fundamental issue. Now, people have been telling me that stability is a fundamental issue ever since I have



joined the Army back in 1965. But have we done anything about it, have we done anything about it? Not a lot.

Indeed, in the Navy's case we have actually created a bigger problem because we have got two Fleets to look after. And we have a real issue there because there is huge pressure on moving north as well. So, we have to become smarter at finding ways to actually increase our stability. So, the conclusions that I have come to in the short time that I have had to talk about this, is that there is two items that we really have to get amongst – job satisfaction and stability.

If we can increase our job satisfaction and if we can increase the stability of the force and if at the same time as an underlying foundation for our work, we can actually improve our image, then we will have one of the best professions in the world to market out there. And there are thousands of young men and women that would love to come and join us. They do not sit and watch the ads, sit and find a hair on the back of the neck standing up when they see people actually being reported in the news, picking up FFVs and *JERVIS BAY* coming into Dili and the like and doing wonderful things. They do not get that for nothing.

They get that because there is a good body of people out there that would love to be a part of the organisation. But they also get that countered in a time of very high employment in this country with the bad images that they see so readily reported. And of course, if there is a vacuum at any stage in the news reporting, there is a law of physics that says there will always be something that will pull that back in and it will be bad news if you leave that vacuum there. So, we have got to identify these two and acknowledge these two as the biggest contributors and therefore, set our sights on the right target. And I will argue that over the last number of years our sights have actually been a little bit off target.

Moving along then, let us look also at the composition of the force. Within the RAN 2,000 part-time members – about eight per cent. How does this correlate with what the world is doing outside? Here is some interesting statistics. These are current as of yesterday. 26 per cent of Australian's part-time employment. It is on the increase this figure and it is on a very rapid increase. Have a look at the figure for IT specialists. Part-time work, they can work anywhere they like. There is a figure of eight per cent in the RAN. A figure that actually gels with what is happening in society.

Or do we in the RAN actually have to have a look at ourselves and say, perhaps, there might be another way that we can tap a very good source of members of the Navy if we were to create some new phenomena, new rules, new applications for reservists in the Navy. Because all around you, out there in society, we have got about one in four, right

now, there is a part-time employee. And if we were to elevate the opportunity for part-time personnel in the Navy, we would elevate the number of people that we are actually trying to tap to bring into the organisation. Now, I am not suggesting for a moment that we turn the RAN into a major part-time employer.

But I think that we can probably do better than eight per cent. And when we consider that that is the market you are in, you need to actually address that and make a conscious decision of whether to go down that road or not.

I have only got a few minutes left. And there are my observations and some possible solutions to the dilemma that we face. I think it goes without saying – and I have said it enough times in this presentation, that we all have to work on image. Now, I say, "all", very genuinely. The last thing that we want to have happen is for Army and Air Force to be saying things that are adverse about Navy also. And it goes the other way as well.

So, there is an internal campaign that needs to be done there because as I said at the start, we are all out of the game if we do not work together, the three services, and the balanced force already came up this morning in the history presentation. We will have to – I hate to use this term, I think, change our culture. We spell that with a "k" in the Army and end with an "a" but it means the same thing. And the culture is how we actually look after our people and how we focus on our people. We say it all the time but how we make people wake up in the morning and say, "I want to go to work and by golly, my leaders are good. They actually care about me. And they are serious about a professional job."

We have got to slow down the rotation. Now, I wear a green uniform but it seems to me that there are other opportunities for getting stability and allowing people to develop their skills at sea. There are opportunities there but it does not have to be multi-crewing but it has to be something that allows people some responsibility. That then rectifies the concerns that the individual has about his or her partner and children. Eight per cent is simply too low a figure in a work force that is at least 26 per cent part-time employed.

What is more, career management, which many of you know – and I hope you all know, is on the agenda for introduction in the year 2001, January 2001, is absolutely essential as a tool for all of you to actually manage and look after people and retain them. We certainly need to look at our pay structures. This notion of continually doing completion incentives, frankly, is arcane and it needs to be changed to a different approach that our pay structure is actually handling for us. Use the research. We have the research. We have the data. We can now target the groups that are at risk. What I have not shown you is research that actually highlights all of the groups in



each of the three services, occupational groups, that is, that are at risk of leaving. And we are now in a position to actually target those.

Training. We have got some wonderful things going on in Navy, as we have heard. But how are we going to get the number of qualified folks with their A1 Watch Keeping Certificate out there at sea. We have heard the Maritime Commander saying this morning, he has now made a policy decision to allow ships to go to sea with only two qualified watch keepers. What are we doing about the training pipeline to open it up to make sure that the backlog that exists right now – and you know it does, the CN has spoken about this, to get that opened up to allow people to complete.

Because this is job satisfaction. This is what people join to do. And therefore, they need to have that pipeline opened up. And there are areas we know, where there are constrictions. And perhaps, we need to have a complete rethink about the leave policies that apply to personnel in the Navy. They are different now by a small margin from the rest of the ADF. And I think, though, that we could well be served by starting right from scratch and saying, are we providing the sort of leave in return for long periods of time away from family and folks that are actually meaningful and serving the need. So, those things are all achievable.

They are hard but what I have not really said, is that we have got to put some of these right through the

roof. Although they have been very successful in regards to the best public sector pay rise with the exclusion of one particular occupational grid that is – actually, we take it out of the period of time since 1996, it is about right. So, we do need to revisit, I would suggest to you, and this is not just a throw away line, Sir, I think we do need to revisit and I know, and I have already started dialogue with CN on this very issue, revisit fundamentally, the way we meet the people inside the Navy. And it would do us well to start with a clean sheet of paper. And say, what is it we need and roll on from there.

Because we have got to succeed. This is not an optional extra. We use the slogan, “people are the key to capability”. I think, that is never more apparent than it is in the Navy because we do tend to think in terms of platforms and that all the limitations, essentially, come back to people. So, finally, in conclusion, we get back to the really sharp end and I have to do that. I think that whilst we have to make some changes all the way through in the three services, we have a particular focus in the Navy at the moment because I estimate that we have got about six months to turn this around. If we do not turn this around in six months then we have got a real problem.

So, let us take the time and charge into this and of course, the TNT initiative could not be a better initiative to launch it from. We do have the wherewithal to make these changes but we do have to change the culture. Thanks, Sir.



Symposium '99

On Watch Report – Deputy Chief of Navy

By Rear Admiral Geoff Smith, AM RAN

The next session is an on watch report from myself as the Deputy Chief. I have got to say it is not quite as exciting talking about our headquarters as talking about ships and submarines and training. I have got to say that in Navy Headquarters (NHQ) we have no dragon boats but I will give you a news flash here that I spend my whole day up to my neck with crocodiles. So, it is just as exciting in a different sort of way. Before leading into this presentation I just thought I would make an observation, I suppose, and I feel I am a little bit guilty of doing the same sort of things over the years. There is always the perception that head office is one of those sort of unnecessary complications in everybody's life and that really the place would be much better without it.

I have got to tell that that is probably could not be further from the truth. The battles, the real battles that are the future of this Navy, I have got to tell you, are fought in Canberra. And whilst the operational side of it is what Navy is all about and that is right and proper, but the future Navy, that is where those fights are held. And they are fights. So, I think we should be under no illusion about that and indeed we should be very much aware that that is the case and fully support those people who labour in that environment.

During this presentation I would like to tell you a few things that I have certainly discovered in my short time in there. Bearing in mind I have only been there since July. A little bit longer than the eight hours for Kevin but I guess not that much longer. I would begin, however, by acknowledging in the first instance the work of my predecessors within NHQ. And particularly Rear Admiral Chris Oxenbould and for a short period, Rear Admiral Chris Ritchie. I have to say that walking into that place that works, despite what others might think, is very much a reflection of the huge amount of effort that Chris put into restructuring NHQ in recognition of the changing environment in Canberra. And I acknowledge that.

I have to say that people in headquarters work very hard. As does everybody else within the Navy. And the last twelve months has been a particularly difficult time within NHQ. Those people have worked tirelessly in the best interests of Navy. And I have got to say it is a tireless effort that must continue. We find ourselves in very trying times. The strategic relevance of Navy is at question. There is no doubt about that and you all need to understand that. We know what a Navy is about and we like to think we do but in some

places within our organisation the very – that very sort of premise is being challenged. And the people working in the headquarters are arguing that case on our behalf.

In recent times, as you are aware, the Department of Defence has been asked to look inwards at itself to identify where money could be redirected towards providing more combat power. That is the DRP, the DER, that whole process. The government has made it very clear to us all, not just Navy this is Defence, that there is not going to be any more money until such time as they are satisfied that we have got our act together and are usefully using the large resources that are being provided to our business. We are the largest consumer of public money and they have a real doubt in their mind that we are using it wisely.

And some of the examples that were proposed in previous presentations in terms of our image are contributors to that perception. Thus, we were forced into this internal look at ourselves to refinance, I guess, the combat end of our business before any further money is going to be forthcoming. And that was a drive towards efficiency. I think you would have to be a fool to say that that drive towards efficiency has not generated some compromise in effectiveness. And I think that is the area that we must now be addressing and have a look at where by the natural implementation those efficiency measures the effectiveness side of our equation has suffered.

Having done all the hard yards and identified efficiencies, Defence still finds itself in a serious financial difficulties. Government still wants us to provide a wide range of military capabilities which will require us to stretch the limits of our budgets to virtually breaking point. The problem now is to balance the demands placed on us against our capacity to deliver our services at the standards we expect from our own sense of professionalism. One of the things that I have had to do in the last couple of weeks along with the other Deputy Chiefs is to sit down and try and develop in a joint sense a sense of priorities in terms of our current capabilities.

In the event that our budget will not permit us to continue to operate in the way we are then we are going to have to cut some capability. That is a very trying experience, I have got to say, and one that has not exactly been the highlight of my career to date. But we have done that and there is a such a list. And indeed next week the Chief will be representing us in



what is probably going to be a real milestone in terms of a Defence Executive meeting where the senior leadership of the Defence organisation are going to have to come to terms with the fact that our budget will just not do all the things that we have to do at the moment and something has got to give.

New investment, current capability, all those things, they are on the table and I have got to say to you that I long ago gave up waiting for the fairy godmother to sprinkle gold dust around the place. And I suspect that some of those hard decisions are going to have to be taken. And we, Navy, might not like some of the answers. That is the positive side of everything so far. Another observation I made on assuming this position was the issue of people and Peter Dunn, I think, expressed the problem far more eloquently than I am going to be able to. But there is no doubt in my mind that we have a crisis looming in terms of our people, in our ability, not only to pay for things that I was just talking about, but actually to have the people there to go and do the things that we have got to do.

The video this morning, the ship is nothing without the people that are in it, and people are fast going out the door backwards. I certainly have placed that as my highest priority in terms of my function as the Deputy Chief. And that is to address this people issue. And I have the opportunity tomorrow to give you more insight into how I intend to do that. A primary function of Navy Headquarters is, as I said, to act as our head office. Despite the fact that many of you might think that what I said before, that this is an unnecessary complication and we use very demeaning sort of expressions to describe the head shed and malfunction junction and other sorts of things, be in no doubt that this is an important function. This is an important activity.

It is the whole future of the Navy in the hands of the people that are residing in that particular area. They need your support. Within the head office a strong line that we are pursuing, is in the areas of policies and plans. This drives the shape of Navy and we take the lead. But it is a lead function. It is not a totally doing function. We must draw upon everybody's support. Everybody's input into this so that we can mount good arguments for various things. Whether it is new capability or maintaining old.

The leadership function performed by NHQ is important for me. In the past an underlying suspicion of what happens in Canberra has led to this situation where a lack of confidence may have impacted adversely on the Navy's management and leadership. A perception that people that work down there cannot be trusted. That we are somehow different from the moment you leave Sydney and go south. Well, that is not true. I think it is important that we do overcome these sorts of perceptions and work strongly as a team. And that requires strong leadership. And that is what we are going to give.

Over the past year NHQ has been reshaped to focus on capability management with a view to better supporting the Chief of Navy in discharging his responsibilities to provide CDF with strategic advice on Naval matters. In order to achieve this we are working very hard to get the right people with the necessary skills and experience into the headquarters. As I am sure you are aware, the Chief of Navy is charged with raising, training and sustaining Naval forces capable of winning the war at sea. However, over time CN has been denied the wherewithal to be able to do that. And to some extent the previous Chiefs have been standing alone in some of these areas.

He needs the whole Navy organisation behind him. And in that respect it is vital for CN to know exactly what state his forces are in and therefore we need to have in place a reporting system which provides direct access to information on the state of the Navy. CN needs to be able to accurately say just what is the state of the Navy and we are making some activities in that direction. Some of which are no doubt a nuisance to you all in terms of performance measurement and reporting. But, I tell you what, that is the way we are going. We have to be able to measure ourselves and report against the things that we are meant to be producing by way of outputs. And of course based against that will be the funding allocated to it.

It is all linked. It is one package. If we do not have the wherewithals to report accurately and to be assessed against our outputs, we will reduce – we will receive reduced funding. It is absolutely vital. Within the headquarters in the last year we have been inputting into a whole range of activities. The development of a military strategy is one very important activity underway within ADHQ. That document will match government strategic policies against its expectations of what the ADF can do in support of national interests. This strategy will then shape the future ADF both in terms of what kit we get and the sort of operations we will get involved in.

This is fundamental to the future of Navy. What sort of a Navy are we going to be as a result of this particular activity. Be in no doubt. Do not take for granted that the destroyer force that we have now is what we are going to end up with as a consequence of this. Or whatever other Force element group we might be talking about. And we need to be able to input into this process in a very professional and robust way so that the outcome of all of this recognises the value that a balanced Navy would bring to the ADF.

The strategy is an ambitious one. It expands our focus from defending Australian territory to becoming a major regional player and an actor on the world stage. This is the government's ambition. You have seen it in the newspapers. While many of you point out that we have been doing this for some years we can now say that there is an element of top cover in the sense that



an over-arching document is capturing that sort of concept. This shift in strategic perspective has forced us to examine our strategic relevance. To see if Navy can meet all the demands of the future. That is the challenge underway now.

In the area of personnel most of you would have heard the rhetoric, many of us have uttered it before, "Our people are our most important asset". Well, I have got to say I think saying the words has been much easier than delivering on it. I think it is time to forget that rhetoric. I think it is true but now we have got to do something about it. We will look long and hard at our people skills and determine the way ahead. And as I said, I get the chance to talk to you tomorrow on that subject. During the year, however, in recognition of the importance of this and our ability to feed into Peter's area and others' areas, we formed within HQ a Director Personnel.

And that particular directorate, under Captain Marcus Peak, has worked tirelessly on everybody's behalf in a whole range of issues. Inputting into issues and in fact initiating reviews such as of a divisional system. The strategic work force plan and the establishment of the Personnel Action Team which again I will talk about tomorrow. There has been some significant achievements by the organisation overall but directly from Navy in this particular area in such areas as the enterprise productivity arrangement, the pay arrangement that Peter was referring to which was a very good outcome, as he said second to only one. The Fringe Benefit Tax really was on the agenda when I arrived there and I was very conscious of just how unsettling that was, having come from the field, and that was a good outcome for us. The submarine service allowance increase and the submarine and the DDG MT completion bonuses. All of these things are directly attributable to the work generated from that part of the Naval headquarters.

In the area of capability management I referred to a little bit earlier. CN is responsible for delivering the capabilities you see listed on these slides here. To that end he must ensure that the forces must respond effectively to all sorts of operations that we consider likely in today's international environment. It is here that I think we have some problems and I am not sure that in our own mind we are ready to provide this service at the level we think that we need to. This is where the reorganisation of the past due within Navy headquarters was really being driven towards. That is from being able to provide staff support to the Chief in his discharge of his responsibilities in producing these defence outputs.

While we now accept that capability management is the way of the future, we have come to learn that NHQ is not the best place to do it from and indeed over tomorrow you will hear a lot more explanation as to why that is so and what the solutions are to that

particular problem. Having said that we do it now, we do it to the best of our ability. We draw upon your support in doing that and the information you provide and hopefully we are able to assist the Chief in discharging his responsibilities in that area.

In the past too many people have regarded the head office with disdain. I keep coming back to this theme because I get it all the time. Well, I am here to tell you that NHQ is determined to do its part within the whole Navy construct and it is an important part. Everyone in Navy needs to be aware of what is going on where we work because where we work and what we are doing is going to impact upon you at the end of the day whether you like it or not. However, a less than positive attitude does not help our particular case.

In order to win the arguments which secure the Navy's future we all need to be across all of the issues and be prepared to do our bit. And that means not just by the people in the headquarters and in Canberra but in fact, all of us, we all need to contribute to that bit, if you could say it that way. Strong leadership is what is required and strong leadership is what is going to be given but at the end of the day, it has got to be a team effort to produce all the results. There is plenty of communications capability in terms of personal communications to the headquarters and we welcome that.

I would pick up a point that the Warrant Officer of the Navy made that we do not want to circumvent the command chain and the divisional system and all the rest of those things that underpin what is the fabric of our Navy. But having said that, there is direct access available to everybody. We widely advertise those contact positions and numbers and emails and all the rest of it and we encourage people to use it. So please spread that word, if there is an issue, send it to us direct and we then fire it out to the appropriate area and we will respond.

In conclusion from a Headquarters perspective, we, like the rest of the Navy, have undergone a fairly major review and be in no doubt that we have contributed directly, not only to the previous process but to the new process that is now to be unveiled tomorrow. The future of the Navy will be covered as I said, tomorrow, but I will leave you with the thought that I intend to ensure that Navy Headquarters supports all of your activities in the things that you have got to do. It is our job to argue for the resources and to distribute those resources so you can get on and do your job. Having said that, there will never be enough.

Now ladies and gentlemen, that concludes my presentation on Navy Headquarters, where we are and what we are about. It is not very sexy, it is pretty hard work but I have got to tell you, it is all about the future of the Navy. Thank you.



Symposium '99

On Watch Report – Chief of Navy

– VADM David Shackleton, AO RAN

Good afternoon and thank you to all who presented and participated in the proceedings so far here today. I think that the performance of the Navy has been reported by all those other people. I think it has been truly impressive. I thank you all and your people for your fantastic efforts. We have a great deal to be proud of in our operational performance. I think we are getting better at organising and leading ourselves and I hope that you would reflect in the same way that I have reflected, sitting here and listening to the presentations today, that the bull factor has been low.

This symposium is about telling people in the Navy exactly how it is, what it is, what the problems are and what we are trying to do about it. So I would hope you would think about it and ask yourselves, "What is it that I can do to help the Navy go forward?" We do have problems, we have solutions and we can be part of both. So let me repeat some things, though, that I have said in other forums. And in particular I would like to talk about Navy's values because the values we have today and the values that we use to launch ourselves into the future are very important.

And I want to reinforce that the defence of our country is a serious responsibility. It is only entrusted to those who are worthy of the task. And earning the trust of Australians, understanding that our country trusts us and not damaging that trust is a central consideration for all of us. Fair play, equality and a can-do attitude are distinctly Australian qualities and the Navy needs to be an organisation that reflects those features of our society. Particular principles that we all need to stand by and demonstrate in our behaviour, I believe, are our world class professionalism, the personal application of physical and moral courage, loyalty, honesty and integrity as individual men and women, a demonstrable dedication and commitment to serving the Navy and our country as Australians.

No small task. But if anybody does not believe they can live by these values, be they uniform or non-uniform men or women, then frankly they have no place in the Navy. And it is that fundamental. Because it is our values, it is our beliefs that make us different. It is those things that allow us to pull together when the going gets tough. It is those things that help us get through to the end.

I am going to talk about our re-designed Navy tomorrow, but for now I would like to touch on some

issues that we are working on. And I would like to touch on the first thing, which is our image. And Major General Peter Dunn put it very well. I could not have said it better myself.

I was not particularly impressed when "A Current Affair" ran that tape *the Crossing the Line* video two days after I took over the Navy, so I knew that the honeymoon had finished and I think Commodore Jim O'Hara did as good a job as he could, trying to refute the fact that that was something that we in the Navy supported. But what the TV channel did not tell you was that tape was five years old, the footage was taken with the man's own camera, he had been dressed in some cheesecloth because he did not want to wear shorts, that came off and he was seen naked on the deck of a submarine. That frankly does not change the fact that it was prime time television for nearly five days that week, for which we are still having to pay the price. That is real – that is real impact.

The submarines. The submarines last year was the longest running bad news story in Australia. We do not like to hear that in Australia, we do not like to hear that in the Navy, but that is the simple fact of the matter. It does not matter how the story was generated or how it ran, it was the longest single bad news story in the country. I mean, I personally find that a bit perplexing because when you understand just how complex, difficult and stretching that project is, you would have thought that folks would have been able to find something good to say about it. Needless to say, we are taking action. Rear Admiral Briggs has a piece of paper signed by myself, the CDF and the Secretary, that authorises him to walk all over the Department to get the results that we need to get to put the submarine project on track. It is almost there. There was a security committee meeting of Cabinet yesterday and I am hoping that Admiral Briggs will be able to get me a copy of the news release before we finish here today.

The Kidd class destroyers have been in the news. The Kidd class destroyers are simply an option that is being considered to provide an air warfare capability for the Navy. One option is to buy second-hand ships, one option is to buy new ships, a third option is to have no ships. Those three choices are open to the Government and all three of those choices will be considered by the Government. We have to go through this process, as DCN said, of justifying, substantiating and working as hard as we can to prove to people in an objective way, what kind of things that we can do



and strategic options that the Government has by Navy possessing those kinds of capabilities.

LPA's. There is no doubt that the growth of the LPA project between mixing up a refit and the modernisation program and the management processes that we undertook have cost us dearly, both in schedule and cost. MANOORA has spent a day at sea and is expecting to do some more sea trials, potentially later on this week. They are, in fact, going to be really good ships when we get our hands on them. They are significantly different to what we bought and I think it has been difficult for us as an organisation to explain what we have done to them. So I have taken the same action as we have taken with the submarine, except this time Commodore Cox has got that same piece of paper that Admiral Briggs has got, and he has been wandering around Newcastle dockyard with a lump of four-by-four with a nail on the end. And he is playing the good guy. The net effect is that there has been some significant performance improvement and we are expecting to get this thing moving.

Patrol boats. Patrol boats are working their heart out handling this influx of illegal immigrants up and down both the west coast and to another extent over on the north-eastern side. They are working very hard. But they are old boats and they will not last forever. We do have a life of type extension program planned but that has been put on hold while we investigate the purchase of new vessels. And the purchase of new vessels has been considered under public financing arrangements.

Frankly, it is a difficult concept to explain in the time that I have got but it is about the notion of the cost of money, and is it cheaper to lease vessels rather than buy them, or buy them and lease them back, or some other mixture thereof? We are looking at different and innovative ways of taking capability on board in the Navy. You will read about this kind of thing in the paper, no doubt. You would have read it if you had read the Hansard report the other day because the Minister has had some trouble understanding it. But overall we are looking at different ways of doing business. There is probably more issues that we could talk about but right now they are some which are pretty high on the list of things that we are dealing with.

Perhaps it is fitting that we have got a thunderstorm going on outside, by the sound of it, unless the troops are rebelling again. I would just like to say to you that today is the last day of the TNT. When we got together early in my tenure I added an extra goal to those developed by my predecessor, Don Chalmers. And it is to shape the future Navy. And it is meeting this goal that primarily drove my initiatives to introduce changes to our organisation, rather than any sense that the Navy was not doing well under its current structures. This saw the formation of the TNT and its

related adjunct, Tomorrow's Navy project, which will take up where TNT leaves off.

I guess what I am trying to say, and not perhaps eloquently, is that I have a transition plan in place which will take us from where we are now to where we want to be. There has to be a handover from the initial work that has been done. It has to be again laid out against some of the other issues that we are dealing with and the Tomorrow's Navy project has been set up quite specifically to handle as one large project all of the change issues that Navy is having to deal with. If I had a comment to make, Navy has not been bad at all about working out what the problem is, we just have not been very good sometimes at fixing it.

So I want to make sure that we do not find ourselves in a period of uncontrolled change and incomplete execution, which takes us right back to the beginning again, which is exactly what we are trying to avoid. So I would like to publicly, on behalf of all of you here, thank the TNT team for all their hard work. It is not easy, let me tell you, getting all these Admirals and Commodores in a room and having to explain to them some bad news. It is not easy getting people to sign up to things for which everybody has to make a compromise and it may indeed run slightly against their grain to do that. But I would like to reiterate what I said this morning and that is that all of CNSAC has signed up and is behind what we are going to do.

There are always going to be opportunities to marginally change things but the big decisions are taken. So I would just like to say, "Thank you, TNT. Wherever you go, all the best to you. And I thank you".

Now, I said I would get to the point where I would talk about some of the future leaders of the Navy. So let me put some of you out of your misery. Future leaders of the Navy are absolutely critical to changing the culture and taking us forward. We use the word "culture" a fair bit but not often, I think, in a way that everybody universally understands what it means. Culture, to my mind, is, "What do you do and how do you do it?" It is about the way we relate to one another, it is about how we feel about one another. It is about giving reward and recognition, as the Warrant Officer of the Navy so eloquently put it this morning. It is about saying, "Thank you". It is about just taking that little bit of time to do that that makes people feel that the job satisfaction is in fact still there.

I would very much go back to that remark about job satisfaction that General Dunn made. Because when people have got job satisfaction it is easy to go home and tell your partner that you are really enjoying the hell out of what you are doing. So that takes away another incentive or a driver for people to decide to leave or choose to stay, or whichever way it was around.

So can I say in closing, I would like to think that in your minds I have addressed some of the major issues of 1999 for myself as the Chief of Navy and for a good number of – and many other folks in the Navy.

They are all really the basis of what 2000 is and beyond. Our successors must be able to thank us for a job well done and take over a better ship, just as we can thank our predecessors for the job that they have done. If they cannot, then we will have failed in our duty. We all need to lead our own part of this change, with the characteristics of honesty, competency and being forward looking.

So let me finally say in closing it is my responsibility to lead the Navy. That responsibility includes adapting the Navy to the future. That means change. There is

always going to be change. Change means making decisions and taking action. Otherwise change does not occur, the Navy becomes stagnant and atrophies. Ultimately, this could lead to mission failure. Change means challenging our principles, concepts, beliefs and how we do things. Culture again. My leadership position means that I am responsible to all of you here for not shirking this responsibility because not only is it my Navy, it is your Navy, it is our Navy. And I do not intend to walk away from my responsibilities. It is true that this is going to be a very busy year for everyone in the Navy, in the next few months, more so for some than others. I am looking forward to the opportunity to discuss things tomorrow with you, about how that is going to look. So thank you.





Symposium '99

The Navy in the 21st Century – Chief of Navy

By Vice Admiral David Shackleton, AO RAN

Good morning. What I am going to talk to you about this morning is the net effect of all these changes that we are going to put into place and to try and talk you through those things which are both behind it, why we are doing it and what I expect to get from it as an organisation. So we are going to talk about communications, leadership through to a discussion this afternoon. Please, if you have questions make a note of them because they are all important and it is important that you get the chance today to ask the questions that you want to hear answered before you leave here.

This is the current Navy organisation. Navy Headquarters at the top, Maritime Command made up of these units here. And I will talk about them in a moment. Training Command, Support Command Australia, in which is Support Command Navy, Class Logistics Office, Defence Personnel Executive and Director-General Career Management Navy. This is Commodore Christie's position. Inside Maritime Command we have a number of these things called Force Element Groups, which you can see there in the blue boxes, and we have the major surface combatants, the support ships, FFGs and fleet bases as part of the Maritime Command organisation itself.

ANZACS, DDGs and FFGs are the single largest slab of money in the ADF in operational terms. It is almost as expensive to run those as it is the Land Army, the operational component of the Army. Aviation, submarine and hydrographic etc, have been organised over the years into Force Element Groups where people have got an understanding of how they are to be managed, how they are to be supported and so on. We have not done the same for the major surface combatants. And I think that is a major shortcoming of our current arrangements. Maritime Command also is plugged into Headquarters AST for operations.

So it is important that Maritime Command does not have itself so focused on what I could call capability management issues that it gets distracted from the real reason it exists, which is to be an operational headquarters. As we work through the work that TNT did, talking to people and looking at things, we found that there was not at all great clarity between these organisations. It was hard to find out who was responsible to whom, and for what. And to my mind an organisation the size of ours, that really is a serious shortcoming, especially when you are trying to get the best out of the dollars that you have got.

Now, what you have got here are these things loosely, in fact, not connected. There are no formal linkages and responsibilities between these organisations. That is not to criticise people for trying to do their very best in making things happen and trying to get things to work in the way they ought to, but there is not what I would call clarity of responsibilities between these organisations. So one of the really important parts of what I am trying to do is to align authority, responsibility and accountability, so everybody in this shop in their various places and various functions get to know what they are responsible for and to whom. Who the customers are, who the suppliers are and so on.

Why are we doing this? Whole of life, whole of capability management, (womb to tomb) – you have heard the comment before, it is important to make sure that we get the beginning right and we get the end right. A number of the comments made yesterday were exactly about recognising, I think, that the organisation is fragmented. But you cannot see the impact of what you do down here on things up there. You cannot understand the relationship between the money that you inject at the bottom and what you get out at the top.

We are not good enough yet at reporting our own performance. If you cannot measure what you are doing then you cannot manage it very effectively. We are not yet measuring and therefore we are not effectively managing. We had a comment yesterday and I do not know whether it is exactly in the same vein but I think it was close. We are not making enough use of the lessons that we are learning. We are a smart organisation but one of the down sides of continual change is that the things that you have learned prior to that change often get lost back in the system.

And you go back and you have to reinvent yourself and you have to relearn those old lessons that – all of a sudden people say, "Yes, I remember that. Five years ago we did this". Part of change is recognising that you should only change the things that really matter, in other words the things that have to be changed. You should not change things just for the sake of change. And part of that is being able to recognise that you have learned things. So you have got to be able to learn about yourself. And our shore infrastructure was not focused, in my view, the organisation's view, the CNSAC's view, was not focused on the business of the Navy.



So why are we doing this? We want the processes and the communications to be right. We do not want four sets of business rules in the Navy. We want one set of business rules. We want people to understand what they are doing and why they are doing it. We do not want to have to go to five different places to find out how you do your daily business. It is important that our communication works. If there was anything that we talked about yesterday it was about communications and how inadequate we have been at some of that. So we have got to get that better. We are not, in my view, sufficiently well structured to influence the future.

And this is not just simply about ranting and raving in Canberra and stamping my feet and saying, "I want more ships and aircraft carriers". This is about saying, "This is why we need to change. This is why we need to have things in the future". It is about having a sensible discussion with the people that are able to shape the future, the people that are able to shape the application of resources and the delivery of resources.

Leadership. We need to have leadership right through the organisation from the top to the bottom. Leadership is not simply about me standing up here and talking to you people, leadership is all about what you do to lead in your own individual way in your own individual part of the organisation.

Careers and training. We do not have effective succession plans for important parts of our organisation. We are spending a lot of money on Mine Warfare, we are spending a lot of money on Aviation, a lot of money on Submarines and Surface Combatants. We need to have an arrangement by which the future leaders of those particular organisations are able to be brought up through the system so that they can understand what is needed to make sure that these things remain relevant, effective and high performing parts of the overall Defence Force.

And safety management. Things like the WESTRALIA, other accidents we have seen around the ADF, Navy needs to take a very close and hard look at safety management and make sure that we get it right.

Forget about all the legal jargon about duty of care, it is our people. It is making sure that the risky stuff that we do is as safe as possible in the way that we have to do it. We take risks every day but we do not need to take risks that we do not have to take.

So this is how we are going to change. Navy Headquarters will be restructured. There will be three new branches in Navy Headquarters and they will do different things to what they do now. There will be Business Management, there will be Futures and Strategy and there will be Capability Management. And the work that they do inside those organisations

will be different from what they did last week. But it will not be a simple, clean, somebody looks after the dollars and somebody looks after something else. Navy Headquarters will have to work in an integrated way.

This is new. Systems Command. Inside there will be a Director-General of Systems. People and Training will be linked. The bases will be looked after by the Chief of Staff of Systems Command. And we will set up a Director-General of Certification Safety. Certification Safety will have a direct line to myself because I am responsible for safety in the Navy. People and Training will also have a line to DCN because the people issues are just way too important to have any misunderstanding about how we do business around here.

You will see that we have collapsed Training Command into this. I would not want anybody to think that this is a reflection of the inadequate performance of Training Command. Far from it. Training has evolved and has become very effective over the years. As you saw in the presentation yesterday, the training organisation has got a lot to be pleased and proud about. This is taking it one step further. We want to bring the people and the training business together. So the posters will move out of Defence Personnel Executive and into Systems Command. The personnel policy issues, the things which need to be whole of Defence, will remain very much in Defence personnel. Navy will make sure that its relationship and liaison with Defence Personnel Executive is as good as it can be because we want him to succeed on our behalf. That is how important it is.

In Support Command the Class Logistics Officers are currently responsive. We are now going to make them responsible to these FEG managers. The FEG managers deliberately sit across the interface between the strategic, operational and tactical. They are an integrating organisation. It is going to be a hard job because they are going to have to be responsible to me and the Maritime Commander simultaneously. They will have directives from me and the Maritime Commander which spell out what their responsibilities to each of us are. Now, we have tried to write them in a way that avoids duplication so that they are not responsible to either of us for the same thing. Otherwise that just puts people into crisis country again.

I have had to draw some priorities, obviously, because I don't have enough one star positions across the Navy to do all those things that folks might think you need a one star to do. So I have had to make some decisions. They have not all been easy but I have made some decisions and this is what they are. So this is how the organisations will work, and we will go on to talk a little bit more about this in a minute. There was really a lot of discussion over how this was going to work because the notion of FEGs was a reasonably easy construct to get together. People have been working towards this for quite some time.



The Class Logistics Organisation was set up in Support Command a little while back and has been progressively improving its performance, because it can now tell us about the cost of ownership, it starts to manage in an effective way, and doing it by class makes a lot of sense. We needed to take that one step further and make sure that these organisations here are truly able to manage in the way that I need things managed, which gives great clarity of responsibility and an understanding by those people of what they are going to be held accountable for.

There has been some conjecture about whether these organisations and Class Logistics Offices will move out of Support Command. I just want to tell you the answer is they are not moving out of Support Command. I expect the Support Commander Australia, the organisation, will change itself over time. In fact, I know it will, like all organisations do. And if that does occur then I will reassess whether those Class Logistics Offices should move out and should go somewhere else. But for the time being I have no intention of making that happen.

One of the reasons why we need to move this way is because Navy Headquarters is not doing it as effectively as it could. And I think Maritime Command has got clear room for improvement as well. That is not a criticism of either in a personal sense, I would like you to understand that none of this is a reflection of criticism on any one individual or individuals.

So what we have got here, if you run this backwards – and Operational Outputs is what we are talking about, Maritime Headquarters with the FEGs in the middle, Systems Command, Support Command, the Navy enablers, who are the other groups like Defence Estate, Defence Information Systems Group, Personnel Executive, for instance, contractors, who we use a lot more now these days than we used to, Navy Headquarters, Defence Headquarters down the bottom here. And I am in Navy Headquarters, obviously we are part of the overall Defence Headquarters construct.

The whole idea of this is trying to get what we do into an alignment that we have not been able to achieve before. Part of this is to be able to get people to understand how all this lot works. We are a very big organisation and being able to explain to ourselves how we work is, in fact, a significant part of the problem. Again, the comment was made yesterday we have not kept our books up-to-date. I am not surprised. We keep changing ourselves in ways that do not necessarily make sense and we do not always tell people we have changed. And that has led us to want to put together a project which will be the overall management machinery that we will have to make sure that this change does not result in fragmented parts of the Navy again.

This is a very important construct because I need to be able to develop Navy's outputs, I need to be able to measure the effectiveness of those outputs because if I need more resources or if I want to move resources around in the Navy, I have got to be able to describe what I am using them for, how effective that use is and what the shortcomings are of not having sufficient resources. I mean, that is a really important part of the business.

Maritime Command – and I will get the Maritime Commander to talk about this in a minute, we are looking for Operational Performance, provision of units with trained and worked up personnel, for use in operations. He has got to meet the CDF preparedness directive, I have to produce a directive myself and there are other national obligations with appropriate assets.

Systems Command. Systems Command is the integrating organisation. We are going to make a conscious effort to try and capture our intellectual property, our knowledge, the brains, in an explicit way. Not implicit but in an explicit way. We are trying to integrate the knowledge and the information that we have in the Navy. It is going to be responsible, as I said, for regulation and safety, personnel and training, systems requirements, Fleet Bases establishments, ports and national services.

Support Command. About what it does now. But I think, clearly with a greater focus on meeting the requirements in a much more focused way than what the FEG managers are there to do. The FEG managers are intended to set the priorities for the application of resources to meet the requirements of both myself and the Maritime Commander. That is why it is going to be a difficult job. Responsible to the MC for operations, responsible back to me for management. It means they are going to have to do some planning. It means they are going to have to think through what things are really important and what things are not quite so important. They are going to have to get into the prioritisation business a lot more than we have been in the past. We are going to have to understand the implications of moving one thing from one part of the place to the other. But they are going to have the wherewithall to do that. I am going to try and avoid giving them all this responsibility but then nailing one foot to the floor, saying, "Just operate inside that circle". So they have dual responsibilities to myself and the Maritime Commander. And I will be inviting them to report to me, for instance, when they fall outside of a percentage range for the application of resources.

So I am going to expect them to go and set up agreements with other people right across Defence and Navy for the performance of other organisations so that they will measure the performance of others and satisfy, ultimately, the Chief of Navy's responsibilities. Because we have an organisation



right now of 14 groups which have all been budgeted, all have a budget, and they are doing things. But, for instance, if Corporate Support is not working to provide things that I want, he has no basis for a budget. So we have to establish the basis against which Navy is provided with its support and services by other parts of Defence as a whole.

What I might get MC to talk about, is some of the difficulties we have had in making sure that these responsibilities are clear, both for him and myself, so that the FEG manager is not caught in this trap of trying to satisfy two people over the same thing, where clearly you are going to have a difference of opinion about what is important, be it Canberra or be it down in Sydney.

RADM Lord (MCAUST) Thank you, Sir. Yes, ladies and gentlemen. In putting together the FEGs, as CN mentioned we already had a FEG structure developing with Maritime Command. The real weakness was the Major Fleet Units, who were left out there, and we kind of always have assumed – and as an ex-COMFLOT I know what it is like, the COMFLOT looked after Majors. But his charter has been a lot broader than that. When you look at FEG operational preparedness, one area we have not done well, I think, is describing the skills and the standards we want from our people when they join the ship.

Now, Naval Training Command has mechanisms in place where Maritime Command have been feeding back. But we have not been able to focus on the skills and the standards that we want from our people in joining each different class. I see the FEG managers – this is one of the key advantages, they are focused on their specific ships, they are experts with their staff in those platforms and they will be better able to describe the preparedness of our people there as well. Now, also there is the operational preparedness. In MHQ at the moment, with a reasonably large staff, we look across all ships. Our focus tends to go where the operations of the day go.

And I think at the moment it is very classic that we have been very heavily focused on Timor. Parts of our Navy that have been extremely busy have had to be neglected. With the FEG focus and the building up of the FEGs, with their own staff within the FEG, that focus on each FEG will continue even though at the operational level we are completely diverted. That is, the FEG sat between Navy Headquarters; CN, and me.

And I am pleased that in developing the final structure, FEGs have come back to be under the Maritime Command but with those two responsibilities. The reason is at the end of the day they have got to respond to the operational requirement immediately. And by the construct we have now I think we achieve that. The operational standards across the whole fleet and across FEG matters will still be dealt with by Maritime Command.

COMFLOT is still responsible for operational standards across the whole fleet, across all FEGs.

But COMFLOT now, rather than using the one staff person that he has available, will be able to tap into the FEG, to get the expertise, to know what is happening in that class of ship, to know what is happening to that individual ship as it has been going along, and not rely just on the one person on his staff or the one or two that may have visited that ship three months ago, a day here, a day there. We are going to build a corporate knowledge through that.

Delivery of units. I have talked about people, ships. The other key part of this, I think, is on the capability. The FEGs will be able to focus on those key capability requirements and talk to their CLOs to try and get the funding and resources through the overall system. Now, at the end of the day there will be this requirement to change priorities across FEGs. That is where Maritime Commander must have a say and will have a say in the operational requirements. And, of course, back in Canberra DCN and CN will dictate the longer term, medium term and the overall allocation of resources. But it is fighting for and ensuring that each FEG is putting in a strong enough bid for its resources at the time that I think they will strengthen the readiness of the ships we have.

We will also be relying on them to better describe to us what is the state of the fleet. Now, this is done at the moment within Maritime Headquarters but as I said it is done as a side issue as well as supporting operations. FEGs will be able to focus on this because they will not have an operational role as such. That will be done by Maritime Command, the Naval Component Commander, COMAST and the MHQ side itself.

VADM Shackleton: Thank you, John. The integrating agencies, remember, are the FEGs but the integrator of the integrators is the Systems Command. There are a number of common things which will apply to all FEGs. C4I, for instance, will be one. People in training is another. Systems Command is not simply a grab bag of those things that we could not find a place for in Canberra, it is a direct linkage of all those things that need to come together in order to make us run a systems approach right across the Navy.

RADM Scarce: There is nothing quite as powerful as seeing Commanders Matson and York together at the Mine Warfare CLO explaining how they were going to run their FEG. Each understood the resource implications of that particular FEG. Matson, who is the Commander, understood the logistic implications of running his FEG and Max York understood the operational implications of supporting the FEG. What we are attempting to do by bringing this organisation together is to develop that synergy with all of the FEGs. The weakness we have at the moment is that our major resource driver, the surface fleet, does not have a FEG organisation.



So you can see that one of the outcomes that we are trying to drive here is to develop that synergy, that important synergy, between the operator and logistician in all of our force structure. Why has the Chief decided that he wants to keep the Support Command managing the CLOs at this stage? Well, the very reason is that we do not have one set of business rules for each of the CLOs. We must drive in that consistency, we must keep the variation out of our business processes amongst all of the CLOs. And equally important, we simply have to drive down our costs. And to do that, as I mentioned yesterday, we need to be within that national framework, driving national systems, driving national processes and leveraging off national industry.

As the Chief mentioned, it is also important that the CLOs are responsible to the FEG manager for the delivery of agreed logistic outcomes. We have a process which we developed this year. It needs now to incorporate the FEG managers. And that process enables the synergy between the two groups to develop. I think we have a great prospect of understanding logistic implications of both managing the capability and also, importantly, of developing the capability for the future by building that knowledge within each of the FEGs, by driving our costs down, I think we have a prospect to move forward in this structure.

VADM Shackleton: Thanks, Kev. So just let me try and reiterate some of the remarks that both MC and the Support Commander have made. These folks are responsible to me for having a master plan. Now, this is a revolution. A revolution, planning for a particular FEG. In this master plan I am looking for how this is going to be supported, how is it going to be developed, to give recognition to both the strengths and weaknesses of the particular FEG. These FEG master plans will have to feed up to the Navy's strategic plan which is in the course of redevelopment, which in turn itself obviously links into the Defence plan. That planning has to be integrated vertically and horizontally across the Navy. So the FEG master plan has to meet and has to give recognition for what the Maritime Commander needs and has to give recognition to what I need. So it is an integrating function.

In terms of training I am expecting the FEG managers to understand what sort of training is needed in those FEGs so that they can pass back into the training system statement of requirements, call it what you will, feedback on the effectiveness of the training that we provide for those FEGs. So that the training system can adapt itself so it remains relevant to what we need today, rather than what we needed last week.

But the training part of the Systems Command obviously has to continue to provide those overarching functions like leadership and management which are applicable to every part of the Navy. So again it is an integrating and combining function. I am

expecting the FEGs to manage Operational Training requirements with the Fleet Staff. Maritime Commander remains and will remain the arbiter of operational standards and performance. He is the customer. It is his operational requirements and needs that this whole organisation is driving forwards to try and support.

Very important that we recognise why we are doing this. Now, obviously with COMFLOT there will be the feedback blurbs so the training gets adjusted, it gets changed, and we try and keep turning out people who are relevant and fit for purpose for today's requirements rather than yesterday's.

This is more than simply counting bums on seats or filling up bunks, this is about the people who will be members of the FEGs in a category and a branch structure. What is important here is to make sure that our understanding of the kinds of skills, the professional skills, that our people in the FEGs need to have are being looked after. And I am using that as another way of talking about category sponsorship.

I believe it is important that we pay very close attention to the real professional needs of our people. And by that I mean category sponsorship. And it has got to be forward thinking, it has got to be talking about what do the CSOs of the Navy in the year 2005 have to look like? What sort of skills have they got to have? What sort of education have they got to have? How are we going to get there? This stuff just does not happen by accident. It is going to happen because we think about it, we plan it and we drive it forward rather than just sitting around and holding hands. Because things do not work when you do that. Hence, we have got to have people who are trained, educated, professional and know what they have got to do.

Research and Development. Currently, Research and Development in the Navy is done in a fashion but I think it could still be improved by again focusing it more narrowly on each of the FEGs. So I am expecting FEG managers to understand what the Research and Development requirements of their particular FEG looks like. I am not talking about whether it should have 16 holes or 25 or 45 propellers on it, I am talking about the current Research and Development which supports the in-service capabilities.

DGMD, (CDRE Cox) who has gone to talk to ADI today, remains responsible inside Defence Headquarters for carrying forward the development requirements of Navy. In other words, the future Navy. He needs to be himself driving Research and Development but that needs to be integrated with the Research and Development that we need to make the Navy of today even better than what it is. FEG managers are going to have to be able to advise me on the test and evaluation processes associated with the respective FEG that he is responsible for. I need to have the FEG manager participating, for instance, in



the test and evaluation master plans that are developed in the Defence Acquisition Organisation.

Because it is those test and evaluation master plans that are really going to tell you what you are going to get once this thing enters into service. So it is important that the users, the people who are responsible for the daily care of these things, are involved right back in the beginning when these ideas are being generated. It is too late once that thing starts to move and has a particular head of steam up about it. And minor equipment acquisition priorities, although they will be determined essentially in Maritime Command, I am expecting FEG managers to look at minor capital priorities for their particular FEGs.

Clearly, there has to be again a coordinating and integrating function so we do not end up with seven little Navies. Maritime Commander, obviously, remains responsible for these things and the FEG manager is going to have to advise the Maritime Commander on these things. So there is this constant split down the head that this fellow is going to have to deal with and I use, "fellow" as a generic term, so that we can make sure that what we are getting both at the waterfront for Maritime Commander and back in Canberra for myself are in harmony. The Systems Command, the FEG manager is going to have to be a pretty adept fellow I can tell you. If you want to have one of these jobs just let me know later on.

I am expecting people to sit down and work out what performance standards we have got to have and how we are going to get there. We need to be measuring ourselves in terms of what do we do, how do we do it and how do we make sure that we bring ourselves back into alignment again where these things are no longer so. We have got to have improved safety regulation. We have got to have improved people capability. We keep talking about people are important, we keep saying people are really the whole thing. We saw on the video yesterday, this is what I am trying to do to put my money where my mouth is. I am trying to tell you in words of one syllable that I am taking people seriously and DCN is going to stand up later on this morning and talk about some initiatives that we are putting together inside Navy Headquarters to do exactly that.

Support Command have talked about this. I would like everybody in this room to understand that if we do not understand – if we do not as an organisation understand what the costs of ownership are, we are in serious trouble. If I cannot go to the Defence Executive, or the other committees that I have to go to and in conjunction with Support Commander Australia say, this is the cost of running FFGs and these are the implications if we do not spend this kind of money on them, then I am going to get laughed out of court. People have to believe that those numbers are credible. We have to put the effort in to make sure that

we understand what the cost of our business is because we have to try and drive the cost of ownership down. That is one of the real realities of the business that we are in.

Accountability. We talk about resources being directly allocated to FEG managers and I am not going to give these guys a bucket of gold and say come back in a year's time and ask for some more. What I am going to say is that you will establish priorities for the people who consume resources on behalf of the Navy to support your FEG. You are to develop relationships, contracts if you will, between those people to make sure that the resources that are applied to your particular FEG are applied in the way that you see the priorities have to be set. This is where that relationship with the CLO comes in, for instance. The CLO will be responsible to the FEG manager for the delivery of services and support terms for the support of those FEGs.

Now, you would have thought that we have been doing this in the past. I have to tell you that we were not doing as well as we could. We have got to establish these performance measures and we have to do more comprehensive planning. I mean, just standing up here saying, well, why are you telling me this. I know this is what we ought to be doing. What I am telling you is that as an organisation it is time to take stock and ask ourselves how effective have we been at this and the reports that I have had back is that there is plenty of room for improvement. These fellows, though, do not need to go to the Adolf Hitler school of leadership. Consultation is absolutely essential for this to work. People are going to have to take time to talk to one another. They are going to have to take time to work through what makes sense and how we can best do this. Navy people are good at working these kinds of problems out. We do it every day in ships. Ships are highly complex, integrated organisation and we make it seem easy. We have got to be able to bring those same talents ashore and use them in our shore going business.

We have got what it takes. We have just got to take it with us and make it work like we can... We have got to do this. We have to improve capability management and operational output delivery. There has to be better management of our people. Every day we hear of stories that make you cringe and it is not because DNOP and DSCM are getting it wrong, it may be because they do not have all the facts. It may be because somebody has only told them half of the story. Maybe some of these things could be fixed *in situ*. We need to be a lot more effective about dealing with problems where they exist. Passing it up the line just transfers the problem and makes it more difficult for somebody to deal with and eventually when you arrive at the top you have got information overload and saturation and you just cannot deal with it. Not in the effective way that we would like to. So, it has got

to be whole of capability, whole of life approach from the beginning to the end.

We have got to have improved planning and business processes. I know we are a war fighting organisation, that is the reason that we exist, but we are also very much a business in business terms. People have responsibilities, accountabilities and authorities. They have resources to use, to consume, in order to meet our ends. We have got to provide ships, airplanes and submarines. They are very real objects. We have to manage ourselves and lead ourselves in a way that makes those the best that we do with what we have got on hand. We need to be more productive with other groups and industry. There is a lot of people in the Department of Defence, a lot of people across the Defence Force. None of them are consciously trying to work against Navy.

What our job ought to be, amongst other things, is to make their lives easier to work with us and we can do that by more clearly, articulating what we want, why we want it and to what level we want it and when we want it. If you can do those kinds of things people will be able to drive their own organisations to support you, to support us, to support me as the Chief of Navy.

This is risky. Transition is always risky and I have written some letters to each of the FEG managers and I have written letters to Systems Commander and others and I will talk with them personally about this but they have to have a risk management plan. They have to understand where the risk is and tasks that I have given them so they know how to deal with that risk. To know what the indicators are, that the risk that they have been thinking about is starting to emerge, so that they can start to take remedial action, so that they can understand the problems that they are confronting.

It is important to develop and roll out this communications and image strategy. About lunch time today there will be a brochure that you can pick up which has got about 30 pages in it which has essentially got all the detail of my presentation this morning, and it will probably contain more detail than you have been able to absorb. We are going to do this, starting now. We are going to move into an implementation phase and we are going to have this thing stood up by 31 July 2000, the beginning of the new financial year, with my expectation that the structural transition will be complete by the end of December next year. I am going to hold a flag and FEG Managers' retreat from 17 to 21 February, at which time CNSAC and the FEG managers will get together again and talk about what we have learned between now and the middle of February, because I am not about to give the people who are going to implement this thing 10 tonnes of paper with a compulsory 40,000 full stops and semi colons inside and say, go away and implement that.

What I have is a broad framework which is the outcome of the work from TNT and I am going to give people time to go away and digest it. Tell me how you think you are going to make that work? Tell me what you think the implications for you are? Here is your directive from me and here is your directive from the Maritime Commander for instance. Come back and tell me what you think the implications of all that are going to be on you. This is not about not doing it, it is about how to do it better, it is about how to find more effective ways of dealing with this.

I am not about to impose impossible tasks on people who will try to achieve the impossible. I want to give them jobs that they really can do. So we are going to put that into place and the commands and FEGS will restructure here and some FEGS are already in place and it will be just a case of – in some respects – adding some minor changes.

The personnel issues, can I just talk about those? There are clearly issues that are associated with how people will be posted, where these organisations will be situated, how they might do their business. We are not in the business of breaking people. DNOP and DSCM know that the postings associated with this have to be dealt with in a way that most closely aligns with what the person needs and what the organisation needs. This is not about picking people up out of their spots today and ripping them off in the sense of sending them to the other side of the country. It is important that we do not misunderstand this. If you have got any problems with what we are talking about in terms of postings, see these people and make sure that the plan is developed in a way that suits the organisation and yourself. I am not about to try and break people, please understand this.

So, this is the plan in broad terms. We have done a fair bit of thinking about this. We now need to move onto the bit that is hardest of all. The hardest bit of all is making it happen. It is about action. It is about not looking backwards and spending our lives in the rear-view mirror. It is about looking forwards and deciding, how can we make this better? The decisions that we have taken, the decisions that we have made. This has been agreed to by the Minister. It has been through the process in Defence and the Secretary and the CDF have signed off on it. So we have – I have – all the approvals and the authority that I now need to make this happen and I am going to make it happen. What I want, is everybody in this room to be committed to making this happen and to be committed to making it better rather than looking backwards and saying, "gee I wish we would have stayed where we were". Because change is about looking forward, it is not about moving backwards.

So I think that is about the end. Well, that is the end of the beginning. Thanks.



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SCFEGCMDR – FEGs: Planning, Managing and Delivering Capability in the 21st Century Navy

By Commodore Les Pataky, CSC RAN

Good morning, ladies and gentlemen. Now, I have been tasked with delivering a presentation on planning, managing and delivering capability. I would like to say, "What a setup".

I have only looked at the subject for the last couple of days so there is not a great deal that I really have to say or add. The Chief of Navy's presentation this morning, where he introduced the FEG concept, was quite comprehensive, so realistically there is not much more that I can add to that, except to provide you with a "Pataky" interpretation or slant on the FEG issue.

What I have attempted to do was provide a logical journey through the FEG mire which leads us to the end state. And I will conclude with a view of the Surface Combatant FEG organisation and some of the challenges that I see that I and my FEG staff will face over the next few years. I would like to warn you first that I do not know and I do not have, all the answers. What I do have is a lot of questions. And I do not underestimate the magnitude of the task set by Chief of Navy to myself and the other FEG commanders.

The Chief of Navy has already provided us with why we need to change. Having just been advised of my promotion I am not about to argue with him. Now, this slide here asks some fundamental questions about our business of providing combat capability. I am not suggesting the system is broken but that there are some things that are not working as well as they should. And on balance we need to have a serious look at the way we do business. Now, Navy is a system of systems. Each sub-system has a specific output which contributes to the Navy's combat capability. We need to address the problem of how well these sub-systems interact with each other and coordinate their requirements and outputs to avoid duplication, wastage, inappropriate or irrelevant outcomes. Now, I think ducking and weaving, is in fact what we do tend to do pretty well sometimes. And that is related to things like accountability and responsibility. Okay. Is the Navy system broken or misaligned? In many respects we have done a good job but there are still problems which have manifested themselves in a few high profile, highly visible failures and these can be tracked down to fundamental flaws in our business practices.

From a system perspective we need more cohesion and synergy between the requirements and outputs of each sub-system. And we must empower those who are held accountable with authority and responsibility.



CDRE Pataky

Okay. Let us look at authority, responsibility and accountability. If I remember correctly, it was these three issues that led us down the path of change. What I would like to do is have a look at the term "capability" and put it into context in terms that we understand, particularly for the young gunnery officers here. I would like to follow a logical pattern by first looking at the cascading missions. The Navy mission is to fight and win at sea. The surface combatant FEG mission is to provide surface combat capabilities to fight and win at sea and contribute to operations other than war.

In the hierarchy of mission statements capability appears in the FEG mission statement. All the other FEG mission statements are identical except for the substitution of the name. The draft DI(G) Admin on capability management provides a list of capability elements. Broadly, these capability elements can be grouped into two major capability activities. Without people, materiel is just a pile of junk. We have no capability. Without materiel that is appropriate or fit for purpose or properly maintained we end up with a lot of dead sailors. Again, we have no capability. If FEGs are meant to deliver capability then we must be involved in and influence materiel decision making and people issues.



The FEG is Navy's answer to providing synergy and mortar to the systems or systems. The FEG must be involved in the business activities and processes of the sub-systems or supporting groups. The FEGs must be empowered with control over resources to meet their mission. Now, control here – or control of resources, means authority to determine priorities for activities and expenditure of resources to deliver that capability. CN provided a good summary of the FEG roles and responsibility in his presentation. And you will recall that CN emphasised the discrete differences between the responsibilities as related to the dual responsibilities of CN and MC. The FEG responsibilities, are real and tangible responsibilities and represent activities or outputs in one form or other.

What I would like to do now is visit the end state, or the FEG end state or, after we have been through all this heartache, what is the payoff? The desired end state is as reflected on this slide here. And note the key words in blue. We want an integrated system assistance that provides cohesion and synergy between the supporting groups, with the final outcome of delivering combat power to fight and win at sea.

We should provide the interface between strategic and tactical. We do things well at the strategic level which is the acquisition side, we do things well at the tactical level or at the organisational level for support of our ships. We now need to get it right in the middle. And hopefully the FEGs are there to help with that.

The FEG integrates activities to provide outputs required by Maritime Commander in management required by Chief of Navy. Within the total Navy planning framework, FEGs define and articulate their requirements, priorities and expectations from other agencies and service providers. FEG's monitor the delivery of goods and services to achieve goals defined by the Maritime Commander and Chief of Navy. The FEG will coordinate and take overall responsibility for a comprehensive planning process encapsulated in the FEG master plan, which Chief of Navy mentioned.

Now, this FEG model here represents the FEG model for the surface combatant FEG. In this FEG there are two significant groupings of ships to be supported and this will be conducted through capability elements. Many of the day-to-day management decisions are best made at the capability elemental level.

What I would like to do is just to emphasise the dual responsibility but interaction with supporting groups. Again, just to emphasise the relationship and responsibility to Chief of Navy and also the Maritime Commander. The Surface Combatant FEG organisation structure as defined by the TNT is represented on this chart. There are two capability managers for each major class of ship for the FFGs and the ANZACs. There is also a development team

which I assume will focus on doctrine, tactics and provide the horsepower to facilitate the development of FFG upgrades and replacement projects.

Now, you should be aware that the DDGs will come under this FEG until the last ship decommissions in about two years. But this has yet to be addressed from an organisational perspective. All right. This is the ANZAC capability, or the ANZAC sub-FEG. Okay. And this structure here is provided in more detail showing the team of team approach. And you will all notice here I have included the CLOs and the FIMA. I have done that just to indicate where they fit in from a management and a resource management perspective only.

I think over the next few months we will actually find out whether that is a viable organisation or not and how much it needs to be beefed up, if that's required. There is much to be done over the next few months as we prepare for the formal acceptance, as we prepare for the future.

Things that we have to do, is review the TNT documentation. And a lot of good thinking has been conducted over the last few months and we need to make sure that is not lost. So we should review all that, pick the teeth out of that to see what we can use to help us develop our plan for the future.

We need to visit the RAAF FEGs, see how they are organised, see what they do, see what their responsibilities are and see if there is any good points there that we can use in our plan for the future. I think we should have regular FEG manager meetings. There are many common issues between the FEGs that we can use and we can share knowledge. There are many cross-FEG issues, for example, training, management of logistics, management of funding. And I think we also need to present a united front to CN and to the Maritime Commander about key issues.

Another major issue is defining the division of responsibility between the FEGs and the MHQ. We have to ensure that we avoid duplication of effort, ensure we avoid contradiction of each other, with a primary aim of meeting the requirement and the mission of delivering combat power. We also need to define the division of responsibility between the FEGs and System Commands and establish that good relationship between the two organisations.

We also need to review what we do well. We have done well over the last few years and those things that we have done well should not be lost. We have come a long way, I think we have a damn good Navy. And we have come that way because of it. We do have some good business practices so we have to focus on those and ensure that we do not lose those. Now, most importantly we need a transition plan, to transition from our current organisation to our FEG organisation. And this includes a transition plan for



people and the processes that we are meant to transfer to the FEGs. Establishing the FEGs has its risks, particularly for the FEG managers. I believe the key to our success lies in these issues. Commitment from the whole Navy to make it work, cooperation rather than resistance. Let us communicate our plans and achievements to the Naval community and the Defence community.

This also requires the contribution of effort by all stakeholders and the sharing of knowledge and experiences. Implementation of the FEGs, I believe, will be an evolutionary process and there are no sacred cows or parochial turf protection. And we all need to focus on the common aim as articulated by Chief of Navy today. My success as Surface Combatant FEG Manager depends on your support. The Surface Combatant FEG is faced with many immediate and medium-term challenges. I would like to highlight the two key points from this list. Establishing good relationships with supporting

groups, including System Command, Support Command and the CLOs and defining the division of responsibility between the FEGs and MHQ CSOs.

Now, establishing that relationship may also facilitate the transfer of personnel to the FEGs. And naturally we cannot do anything without personnel. So I look to DSCM and other Commanders in the Navy to provide the personnel to make these two work, to make this work.

Well, ladies and gentlemen, that concludes my presentation this morning. I think you will agree that all the FEG managers face a difficult job. There are no hard-and-fast rules. CN has given me a broad guidance to use my imagination and initiative to get the job done. We may have to be radical and dynamic in our thinking. You have to be understanding and supportive as this is a Navy team effort. As I said before, there are no sacred cows, we have to question everything and be prepared to change. Thank you.



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NAVYSCOM – Integrating the 21st Century Navy

By Commodore Merv Davis, RAN

Chief of Navy Sir, distinguished guests, ladies and gentlemen, good afternoon. In the next 15 minutes or so, I have been asked to talk about integrating the Navy in the 21st Century as well as providing an overview of the System's Command at least as I understand it now. Why is the System's Command necessary, what its future functions and roles might be and what are the near term actions for the leadership team in that Command? And I might finish with some concluding observations about what lies before us.

I have to admit my insights at this stage are very limited, I do not have Admiral Scarce's eight hours of experience to draw on. And I am only really starting to appreciate the size and significance of the opportunity that this Command affords us but I would like to reinforce two things before I start. One, that the formation of the System's Command is the result of a need to change organisational strategy, not a criticism of the past and secondly it is not an engineering organisation, it is a broad-based multiskilled organisation that has a business philosophy and a commitment to the principles of the System's approach to management.

So why a System's Command, why a System's approach to management? In my opinion it is a logical consequence of CN's vision for an organisational capability based focus where we cannot fully resource every FEG with dedicated assets. Indeed I would argue, it would not be efficient to do so. And where we need to enjoy the benefits of such things as common standards shared knowledge and efficiency gains all focused at maximising the benefits that one might gain from integration.

Again, why System's management approach to management? Again, I think it provides a basis for determining a framework within which we can better understand our complex business and make better informed decisions as a result, and I think we are driven by several drivers. Firstly, we are in the capability management business and that should be the basis of our management. The System's management approach provides a basis from which to develop a clear focus on output and how what we do interacts to either assist or frustrate our achievement of the aim.

Secondly, resources are tight, I do not need to tell you that. The System's management approach should assist us in identifying what resources are consumed by what activity, what activities are a priority, what

are unnecessary and assist us in the pursuit of efficiencies.

Thirdly, and not the least important we are under increasing scrutiny. We have to be professional and seem to be professional. We need to be rational, effective and efficient and we need to be performance driven. And I was certainly attracted by the notion of the balanced score card that Commodore Helyer raised yesterday and I am sure it will be pursued in the Command.

The System's management framework approach provides a mechanism through which key performance areas can be identified, measured and demonstrated. And I think the establishment of the SYSCOM and the Force Element Managers is part of a strategy to address these pressures by fundamentally improving our understanding of the complexities of our business but importantly giving us the opportunity in the light of that knowledge to reshape how we should manage.

From what I have said, the formation of the System's Command is intended to introduce new management rigour and consequently better outcomes. We should, if we are successful, get much clearer definition of objectives, much better understanding of the resources required. We should understand what processes are critical to the achievement of our goals, and with the right tools, the cost and perhaps more importantly the opportunity costs we incur as a result.

The approach therefore, should improve our ability to focus on capability. That clarity of purpose that is essential for a successful organisation and give us the organisational alignment that we all desire. It should improve our understanding of how the various elements and activities of our business interact so we can benefit from integration. Should improve our appreciation of what processes are critical and what really does need to be managed to ensure success, and we may, in fact, better value our resources as a result. Having said that I am not naive enough to think that such an integrating System's management approach is the total answer. It is not. But it is a very useful tool that has a place in our business armoury as we seek to maximise combat capability.

So what will the Command do? The Command will manage many critical areas and I would highlight people and safety as the two that I would focus on. The detail, as you would imagine, of much of this is yet to be determined but what is obvious is that the



System's Command is the personnel, training, safety and certification. Systems, port and harbour services, Fleet Bases and establishment manager for Navy.

I hope you would agree with me that the task management represents a significant challenge, that the agenda we will need pursue is considerable. In this FEG-centric capability delivery management model, we still need to be efficient and one of the issues I am sure that the FEG commanders and I will talk at great length about would be where certain functions are placed within the System's Command. It would not be efficient to give every FEG management responsibility for every activity necessary to support the operations. Such an approach I am sure would lead to an inappropriate divergence of what would need to be common standards, common processes, common services and inevitably, inefficiency.

As a result I think we will need fairly clear business rules about what function goes where, for what purpose. I think it is fairly obvious that unique or dedicated activity or resources would necessarily go to the FEG that has use of those. But where such activity or resources are common, it would seem logical to me that that resides with SYSCOM in the interests of pursuing efficiencies, rationalisation and integration. Where we need to provide a common management framework, again that would seem sensible to lie within SYSCOM to ensure management consistency. Where we would need to aggregate a resource, to improve performance or perhaps to achieve critical mass and therefore ensure sustainability, again that would seem logically to reside within SYSCOM. But I have no doubt there will be many long and interesting debates over several glasses of wine as to where these things ought to reside.

The road ahead, I think, is going to be particularly busy for all of us. We are, as I said, a startup. We need to audit where we are, if you will, work with our various customers to understand their requirements, understand our mutual responsibilities and establish

our business, if you will. The command itself has clearly got to look inwardly and understand what its capabilities are and what its needs are and we will certainly have to improve our relationship with our various suppliers. The result of that will clearly be some implementation agenda, I am sure largely based on TNT work and importantly a strategic plan with the elements that you might expect to find there. But the devil's in the detail and business as usual needs to continue and the schedule is pressing, so I am expecting to hit the ground running with the rest of the team early in the New Year.

But what does it look like to me? Well, I would have to say it looks like a bit of a green field site. I think we need to reconsider how we do business in this new framework and how best to execute it. I think we need to revisit our purpose to make sure we clearly understand what we can achieve in this environment, remove ambiguity and clarify roles and responsibilities to clearly delineate who does what. And importantly we need to apply business skills and exercise business discipline so that we do get the rational decisions implemented that we so desperately need.

There is considerable freedom to implement the solution, so there is an opportunity for everyone to bend their mind to the task. And I think there is plenty of opportunity to experiment, try, fail and try again, all done in a carefully considered risk management context nevertheless. It goes without saying communications and change management would be called to the agenda and I will certainly be looking to the TNP for a lot of support in that area.

In conclusion, this is an opportunity to address many of our concerns. It will be hard work and it is a collective commitment. We have an obligation to get it right and the benefits are substantial, individually and corporately, and I certainly look forward to working with you all as we seek to attempt to reinvigorate the Navy. Thank you very much.

Rise System and CSD Plugs Assure Optimised Fire Safety On Board Advanced Naval Vessel RV Triton

By B.M. Franke

For ducting and sealing cables and pipes on board the advanced naval vessel *RV Triton*, large-scale use is to be made of the RISE system from Beele Engineering B.V. at Aalten, the Netherlands*, and of plugs from CSD International.

RISE (Rubber Insert Sleeves Expanding) is a firesafe ducting and sealing system which has been specifically developed for the fire-resistant and smoke-tight ducting of multiple cables and/or pipes through bulkheads and decks.

Construction of the *RV Triton* by Vosper Thornycroft has been commissioned by the Defence Evaluation and Research Agency (DERA) of the British Ministry of Defence. This trimaran craft, construction of which has already started, is regarded as the naval vessel of the 21st century. With its length of 97 metres and beam of 22.5 metres, the vessel will be the world's largest motor-powered trimaran. The design includes a large landing deck capable of accommodating helicopters or unmanned aircraft. Further features on board the vessel include two laboratories and a comprehensive instrumentation system. This system is used to collect data from all parts of the vessel on a continuous basis.

It goes without saying that fire prevention on board this ultramodern naval vessel is also based on the application of innovative systems. The RISE system from Beele Engineering is an example of this.

Fire tests conducted in accordance with IMO (International Maritime Organisation) Resolution A.754(18) show that RISE cable and pipe penetrations exceed the requirements of the A60 norm. The system is certified by the American Bureau of Shipping, Lloyd's Register of Shipping, Bureau Veritas, Det Norske Veritas, the Korean Register of Shipping, Transport Canada, the US Coast Guard, the UK Marine Coastguard Agency, the Netherlands Shipping Inspectorate, Registro Italiano Navale and Germanischer Lloyd.

The RISE system and CSD plugs were approved by the UK Ministry of Defence on the basis of tests relating to their toxicity, ageing process, surface flame propagation, and oxygen and smoke index.

The RISE system combines optimised fire resistance with convenience and speed of use. The short installation times are due to the system design, which features firesafe protective sleeves which are split lengthwise and are simply placed around cables. Once the cables to be ducted have been wrapped in this way, the remaining space is packed with loose filler sleeves. The protective sleeves are about four centimetres shorter than the length of the penetration.

The penetration is then closed off at each side with a two centimetre thick layer of firesafe FIWA putty.

When heated or exposed to fire, RISE sleeves expand to approximately five to ten times their original volume. The mass of rubber foam which is formed as a result assures total sealing and protection against fire, heat, and toxic and corrosive gases. FIWA putty is both water-repellent and gas-tight, and provides a water-tight seal. The putty gives a level of watertightness corresponding to 2.5 bar. Also, FIWA putty expands when exposed to flames or fire.

Should additional cables be required at a later stage, the RISE system allows for them to be installed with the greatest of ease by cutting away the FIWA putty at each side of the penetration. This enables the new cable to be passed through the resultant opening, after which the penetration is re-closed at both sides with FIWA putty or with FRR/HF blind profiles.

CSD plugs, which are used on a large scale on board the *RV Triton*, assure the gas and water-tight and firesafe ducting of steel, copper and aluminium cables and pipes through bulkheads and decks.

CSD sealing plugs are made from firesafe FRR rubber and consist of two identical parts. These parts are serrated on the outside and ridged on the inside. CSD sealing plugs possess a sealing power of two bar excess pressure at the rear of the plug. Considerably higher excess pressures on the flanged side have been measured in pressure tests. Trials have shown that the sealing power is retained for an extended period, and that it is not degraded by vibration.

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For ducting and sealing cables and pipes on board the advanced naval vessel RV Triton, large-scale use is to be made of the RISE system from Beele Engineering B.V. at Aalten, the Netherlands, and of plugs from CSD International.



The Australian Naval Institute
PO Box 80
Campbell ACT 2612

12 April 2000

NOTICE TO MEMBERS

A Special Annual General Meeting of the Australian Naval Institute will be held in the R1 Theatrette at Russell Offices, between 1300 and 1400, on Thursday, 18 May 2000.

The meeting will be a Special General Meeting in order to deal with a special resolution to amend the Constitution. Copies of the agenda and the proposed constitutional amendments are enclosed with this edition of the Journal.

[Signed]

C.A.T. MOORE
Lieutenant, RAN
Public Officer

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Some things change, some are bound to stay the same!

