

Girt by Beach

Does our national outlook allow us to meet the geo-security challenges of the Indo Pacific?

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- Good Afternoon Ladies and Gentlemen and thank you for the opportunity to speak to you today. I am certainly looking forward to the broad, questioning multi-disciplinary approach to peace and security studies that today's opportunity brings.
- Could I start by acknowledging the Cameraiagal people of the Eora nation, traditional custodians of this land and the wonderful harbour it surrounds and pay my respects to their elders past and present.
- I always like to try and answer the exam question at these events, as there is nothing worse than coming into a session where the speaker completely ignores the session topic and engages in his or her pet subject. Hopefully I will be able to skillfully combine both today!
- Australians have for over a century been obsessed with who we are and where we sit both globally and regionally. Why is it then that as a nation we seemingly cannot come to grips with a really big but very basic idea – that Australia is an island, a maritime nation, one that is utterly dependent on the sea for its prosperity and security? Why is it then that our national anthem would be more reflective of our true national outlook, if it said that we were girt by beach, rather being than girt by sea?
- Others have expressed similar sentiments: Professor Mike Evans has characterised Australia as a maritime nation with a continental culture and Michael Wesley opines that we lack a maritime imagination. For me this strategic disconnect is at the core of any consideration we may give to the issue of geo-security from an Australian perspective.

- If we don't really understand what our geo-strategic situation means and what is truly important to us in a geo-strategic sense then how can we understand concepts like the Indo Pacific and what our role is in them.
- I think the term Indo-Pacific is a particularly useful one. From my perspective it places the emphasis (if anyone ever stops to think about it) on the two oceans and therefore on the maritime trading lifelines that all nations in the Indo-Pacific rely upon.

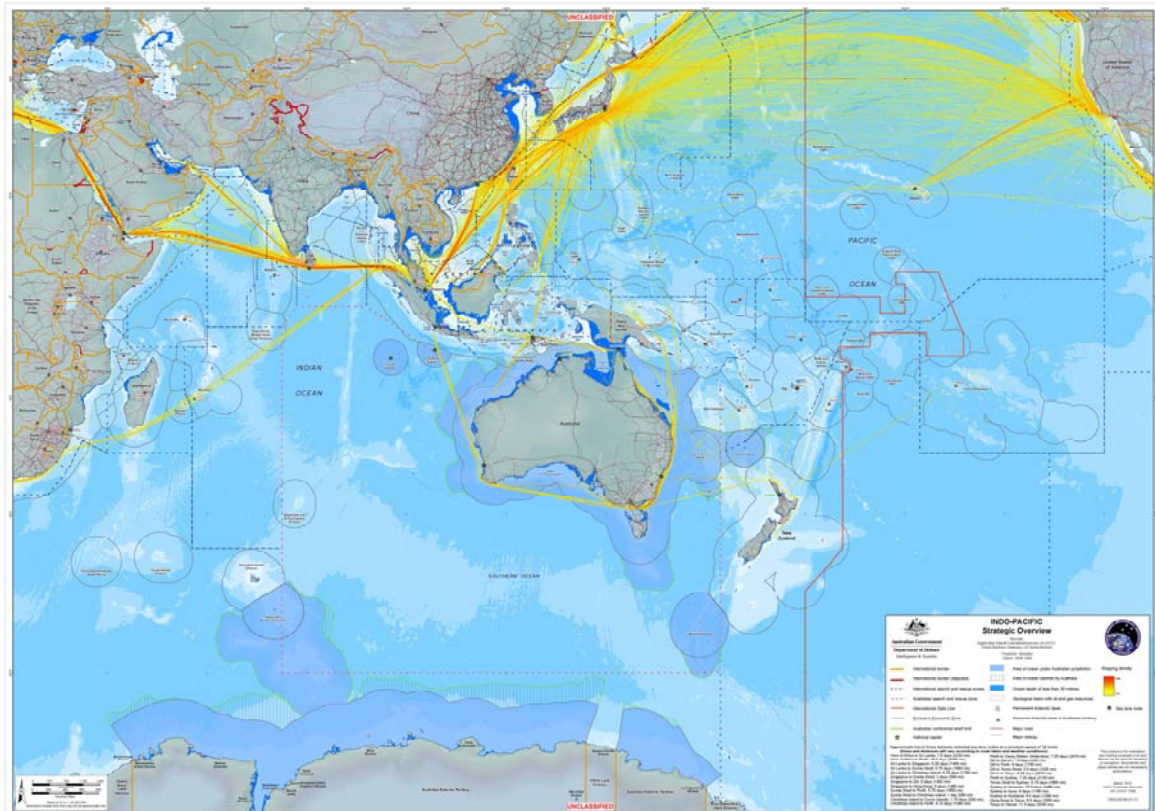


Figure 1: Overview chart of the Indo-Pacific Region

- The challenge in using the term geo-security in an Australian context is the emphasis usually swings straight onto the 'geo' part of the term. In Australia that too often means we end up in a discussion about tightly defined geographically based constructs such as concentric rings and the sea-air gap. I would contend these are useful to a point but are in fact redundant in the broader examination of what it is we are trying to keep secure. While security of our homeland is of course the ultimate responsibility of Government – we are a lucky country in terms of direct threats – it is the security of our interests that impact us most on a day to day basis and shape our ability to remain secure and to prosper in changing times.

- Our interests are inherently maritime in nature in my view and our ability to properly harness the maritime environment and play our role in ensuring that good order at sea is maintained is crucial.
- While our dependence on the sea has remained almost absolute since 1788, our use of the maritime environment has evolved over time. It is now more direct, intensive and extensive than it has been previously. So for a country with a continental mindset and outlook how do we deal with the following statistics and facts?
 - 98% of all trade in Australia by volume goes by sea.
 - 9 out of our top 10 trading partners are located in the Indo Pacific.
 - 40% of our two way trade goes is between just three countries (China, Japan and South Korea) and most of it travels through waterways where maritime boundaries are not yet settled.
 - And Australia, like most nations, depends on the safe, timely delivery of crude and refined petroleum products for the continued operation of the economy and our society.
 - Our national strategic holdings of oil and refined petroleum equates to not much more than 23 days of actual consumption.
 - Over the last 50 years, offshore oil and gas has become a more significant component of world energy consumption and a very important part of Australia's national income.
 - We now have a much greater quantity of valuable infrastructure in the maritime environment – not just gas and oil rigs, but fish farms, and from mid this year off our own base in Western Australia, a wave energy and desalination plant. For some European countries, massive offshore wind farms supply growing portions of their electricity supply.
 - The worldwide quantity of farmed fish produced now exceeds that of beef – so even as wild fisheries reduce, our dependence on the ocean and its fish as a source of protein is not diminishing.

- Finally, the advent of containerisation has increased the extent of worldwide economic integration – it has decreased the costs of transport and increased the number and range of goods, finished and unfinished, which can be shifted around the world.
 - One example of the reduced cost of transport, which still astounds me, is that the cost of moving a shirt from where it is produced to where it is sold is about one cent. One cent.
- I would contend that our economic centre of gravity is not our natural resources in the ground or beneath the seabed. Nor is it agricultural production capacity but rather our ability to export and to receive our imports – in short it's our ability to trade. Disruptions to that trade, wherever they happen in the system, have more profound impacts given the level of integration and the just in time nature of the way our economies function. Protecting our ability to trade and the proper functioning of the global maritime trading system is a key national interest which I think sits at the core of our ongoing prosperity and security. It is I believe a key role for the Australian Defence Force.
- It is difficult to ascribe security ownership to the global maritime trading system because of its diffuse and wide ranging nature. Nor does it neatly sit within a geographical construct as it has local, regional and global dimensions to it. For us we start with port security and offshore infrastructure protection as key local issues. The protection of our offshore infrastructure is particularly relevant given the enormous impact it has for our economy and the impact of any disruption to regional energy flows.
- The health of key shipping choke points such as the Bab-El-Mandeb, Straits of Hormuz, the Malacca Straits and Lombok Strait is another critical maritime security issue. The counter piracy mission in the Horn of Africa is, after all, only about one thing, securing the safe passage of trade. In some ways these are local issues to those states proximate to them but really have either regional or global importance. We saw during the Iran/Iraq war and the associated tanker wars with attacks on around 450 ships just how fragile choke points can become and the economic cost that can ensue.

- Trying to balance coastal states rights and the needs of the global system as a whole is something that by and large has been achieved in various ways. In the Bab-El-Mandeb for example the proximate states are relatively weak in their ability to maintain maritime security and, given the importance of the waterway, a near-global coalition has in effect resulted. In the Malacca Straits on the other hand the Piracy threat was effectively dealt with by Singapore, Malaysia and Indonesia in a cooperative venture to maintain good order. Extra regional activity in maintaining maritime security in Malacca has been limited to the provision of maritime intelligence and information sharing.
- *The key message is that cooperation and collaboration is crucial to maintaining our ability to trade as it is for others to maintain their ability to trade.* There are several dimensions to this ranging from the collaborative nature of international bodies such as the International Maritime Organisation, the IMO, through to the cooperative activities in the Malacca Straits and off the Horn of Africa.
- There are threats and vulnerabilities to the global maritime trading system: piracy is a key non state activity. However, conventional state-based threats exist both around choke points and more broadly across the Indo-Pacific. We know for example that there are many areas where maritime boundaries are not settled, these issues have the potential to raise tensions and ultimately disrupt trade. There are some nations that occupy key positions astride or adjacent to key shipping lanes that could, if their interests were sufficiently threatened, exert considerable leverage on the free flow of goods and energy. Building confidence among those key players involved in the cooperative and collaborative effort to keep the maritime trading system effective is thus critically important.
- Confidence building measures in the maritime domain are not new of course. In fact the use of the term is something that takes us back in time to the Cold War, which was the genesis for the term. Much of the traditional thinking about confidence building measures was focused on nuclear weapons and disarmament. They were set against a bi-polar strategic system of two near-peer powers and with a similar power gradient between them.

- The landscape in the Indo-Pacific today is of course very different. It is not dominated by a bi-polar power structure, quite the opposite; the Indo-Pacific is a diverse region with a diffuse power structures and relationships. This makes the development of confidence building measures not only more important but more challenging. A relatively simple bilateral measure such as the 1972 INCSEA agreement no longer works in this environment. The answer today is inherently more complex.
- Last year's Australian Defence White Paper uses a term which has been around for a few years when it deals with regional security architectures and the 'habits of cooperation' they foster.¹ I think many would accept that habits of cooperation are in some ways the desired output of our maritime confidence building measures. But I would suggest at one level at least, they could form the inputs that lead to the development of these measures themselves. Ultimately we need a collective willingness to act, borne out of a shared understanding of the common challenges that we face. That collective willingness to act is enhanced by established security architectures. The Indo-Pacific is fundamentally different to the Atlantic in relation to the number of strategic political and economic groupings with well-established security architectures.
- Notwithstanding, in the maritime domain there are a number of relevant regional examples of strategic cooperation and confidence building. In the Pacific context there is the Western Pacific Naval Symposium (WPNS) which itself emerged from the germ of an idea at the International Seapower Symposium at Rhode Island. The cooperation in WPNS is excellent and finds practical expression in a series of Humanitarian Assistance and Disaster Relief and Mine Counter Measures exercises, such as one currently underway in New Zealand.
- A more recent construct has been the emergence of a series of Expert Working Groups that have grown out of the ASEAN Defence Ministers Meetings Plus structure. In a very short period these EWGs, as they are known, have led to important dialogue and have spawned a number of practical field exercises, such as the major maritime security exercise that Australia and Malaysia co-hosted down at Jervis Bay just prior to the International Fleet Review last October. The opportunity for Japanese and Chinese

¹ Department of Defence, *2013 Defence White Paper*, p. 8 paragraph 2.7

ships to operate together during that exercise in a cooperative way was a tremendous example of the importance of those activities from my perspective.

- The Indian Ocean though is a different story; a critical waterway for all of us but one without any solid form of maritime security architecture. While the Indian Ocean region Association (IORA) has taken a few tentative steps related to maritime security, The Indian Ocean Naval Symposium (IONS) offers a more established construct that should allow more concrete progress, particularly at the navy to navy level. We take over Chairmanship of IONS in March of this year, which coincidentally aligns with our national chairmanship of IORA. This provides Australia with a particular opportunity to advance the work of both organisations. It is an important time in the Indian Ocean region as maritime security issues now have some prominence.
- Regular exercises, be they HADR, SAR or paradoxically fully fledged warfighting training activities, allow us to develop levels of interoperability and build trust, transparency and understanding that would otherwise not be possible. This can directly translate into real world action that helps preserve both good order at sea and our ability to trade.
- So confidence-building measures focussed specifically on naval forces are an important means of reducing risk. Furthermore, in the event of tensions at different levels in the system, established confidence building measures between naval forces allow for far better management of issues at sea.
- But this takes constant effort - I am a firm believer in entropy – the tendency of the system is towards disorder and insecurity – it is only with the constant and focused effort of all nations that we can ensure the global maritime trading system can continue to operate efficiently and reliably.
- So how does our continental or land centric outlook impact our security and prosperity? Given the importance of the maritime domain, to not fully understand it and the signals it gives off is to increase the level of strategic risk that we are taking through either inaction or over reaction to particular events.
- To remedy this I have, over the last 18 months or so, been espousing the idea of a Maritime School of Strategic Thought for Australia. I do not propose to discuss it in

detail here; suffice it to say that such a maritime outlook does not, cannot, ignore a nation's terrestrial interests. Rather, it emphasises the symbiotic nature of terrestrial and maritime interests.

- This idea of symbiosis is an important point, because a maritime outlook, a maritime strategy, requires a mature national level approach and, from a military perspective, a balanced combination of sea, land and air forces, and the sophisticated use of the wider Defence Organisation and whole of Government capabilities in an integrated way to protect our interests.
- As we draw down from Afghanistan, where our attention has been rightly focused for nearly a decade, there are clear signs of that maritime outlook developing.
- That, I believe, will mean we are better placed to have a more considered and informed discussion around the geo-security challenges across the Indo Pacific.