



STATEMENT OF CORPORATE INTENT

2023 - 2028



Contents

Glossary	3
Letter from the Chair	5
Company Profile	6
Purpose, Vision, Mission and Values	7
Submarine Sustainment and Capability Development	9
Sovereign Shipbuilding Talent Pool	10
Strategy and Business Environment	12
Performance	12
Work Health, Safety and Environment	14
People and Culture	16
Risk Management	17

Glossary

ACSM	Attack Class Submarine	OPV	Offshore Patrol Vessel
AIC	Australian Industry Content	PP4	Performance Period Four of the In-service Support Contract (2020-24)
AWD	Air Warfare Destroyer	PP5	Performance Period Five of the In-service Support Contract (2024-28)
CCSM	Collins Class Submarine	PRIDE	Protect, Respect, Integrity, Discipline, Excellence
CoA	Commonwealth of Australia	RAN	Royal Australian Navy
DTP	Digital Transformation Program	SA	South Australia
D&I	Diversity and Inclusion	SCI	Statement of Corporate Intent
ECP	Early Careers Program	SCR	Safety Critical Risk
EVP	Employee Value Proposition	SQEP	Submarine Qualified and Experienced Personnel
FCD	Full-Cycle Docking	SSN	Submersible Ship Nuclear
FoC	First of Class	SSTP	Sovereign Shipbuilding Talent Pool
HCFP	Hunter Class Frigate Program	STEM	Science, Technology, Engineering and Mathematics
HMAS	His Majesty's Australian Ship	STSC	Submarine Training and Systems Centre
ISO	International Organization for Standardization	UK	United Kingdom
ISSC	In-service Support Contract	US	United States of America
LEAD	Leverage, Energise, Adapt and Defend	VR	Virtual Reality
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual-plus	WA	Western Australia
LOTE	Life of Type Extension	WHSE	Work Health, Safety and Environment
L&D	Learning and Development		



Letter from the Chair



As Chair of the Board of ASC Pty Ltd (ASC), I present the ASC Statement of Corporate Intent (SCI), covering the years of 2023-2028, as required under subsection 95 (1) of the *Public Governance, Performance and Accountability Act 2013*.

ASC's SCI 2023-2028 summarises the company's corporate strategy, future opportunities, performance targets and risk management strategy.

As Australia's sovereign submarine company, ASC's primary objective is to ensure the Royal Australian Navy's (RAN) Collins Class submarine (CCSM) fleet is capable and available. This will be increasingly important as ASC executes the Collins fleet's Life of Type Extension (LOTE) and the nation transitions to nuclear-powered submarines, commonly referred to as SSNs (Submersible Ship Nuclear).

ASC is entering the final year of Performance Period Four (PP4, 2020-24) under the Commonwealth of Australia's (CoA) CCSM In-service Support Contract (ISSC); PP4 ends on 30 June 2024. ASC and the CoA are now finalising terms for Performance Period Five.

The LOTE project, which will extend each CCSM's service life by 10 years, is progressing well. Preparations are on schedule for HMAS *Farncomb's* First of Class (FoC) implementation from mid-2026.

ASC's Digital Transformation Program (DTP) is also on track. Following the 2022 adoption of a new financial management system, legacy enterprise applications will be replaced with a single new system in the second half of 2023, and planning has commenced to roll out an upgraded product lifecycle management system over 2023-24.

ASC aspires to participate in the CoA's SSN program, including the sustainment of visiting United States of America (US) and United Kingdom (UK) submarines at HMAS *Stirling*; the support of US and UK submarines comprising the Submarine Rotational Force – West; and ultimately, the build and sustainment of Australia's future SSN fleet.

The company continues to deliver the Sovereign Shipbuilding Talent Pool (SSTP) for the CoA, to retain, develop and grow Australia's submarine workforce. In January 2023, via the SSTP, ASC completed the transition of 220 Naval Group and Lockheed Martin workers affected by the Attack Class submarine (ACSM) program's cancellation.

Worker safety remains ASC's highest priority. Through ongoing implementation of its 2021-2023 Work Health, Safety and Environment (WHSE) strategy, the company continues to build a mature, generative safety culture.

ASC remains committed to future-proofing its workforce, upskilling workers through leadership development programs, undertaking succession planning activities and providing early-career opportunities to build upon its current capability.

Bruce Carter
Chair

“

As Australia's sovereign submarine company, ASC's primary objective is to ensure the Royal Australian Navy's Collins Class submarine fleet is capable and available.

Company Profile

ASC Pty Ltd has proudly served as Australia's sovereign submarine builder and sustainer for over 35 years.

The first Australian defence company to achieve global standard ISO 55001 certification for the management of complex physical assets, ASC is registered under the Corporations Act 2001, owned by the CoA and represented by the Minister for Finance. It employs over 1,900 staff across two states, primarily located in Osborne, SA, and Henderson, Western Australia (WA).

ASC was established in 1985 and chosen in 1987 as the prime contractor to deliver six conventionally powered CCSMs – Australia's first sovereign-built submarine fleet. The first of the submarines was completed in 1996 and the last in 2003.

In 1992, ASC commenced submariner training services for the RAN through the Submarine Training and Systems Centre (STSC) at HMAS *Stirling*, WA, a role ASC continues to perform today.

At the conclusion of the CCSM build in 2003, ASC was awarded the ISSC for the boats' ongoing maintenance and design enhancements.

In 2004, ASC changed its name from 'Australian Submarine Corporation' to ASC Pty Ltd and established a new division, ASC Shipbuilding, to facilitate future business.

In 2005, following a competitive tender, the CoA selected ASC as shipbuilder for the Hobart Class Air Warfare Destroyer (AWD) Program, as part of the AWD Alliance.

The first Hobart Class destroyer, HMAS *Hobart*, was delivered in 2017, providing the RAN its most advanced and complex warship. HMAS *Brisbane* followed in 2018 and HMAS *Sydney* in March 2020. The RAN has formally accepted all three.

In June 2018, ASC Shipbuilding was announced as shipbuilder for the RAN's Hunter Class Frigate Program (HCFP). Six months later, BAE Systems Australia acquired

ASC Shipbuilding, renaming it BAE Systems Maritime Australia. ASC Pty Ltd is not contracted to the HCFP.

In 2021, following the CoA's cancellation of its ACSM in favour of acquiring SSNs through AUKUS, an Australia–UK–US alliance, ASC was contracted by the CoA to execute the SSTP.

In 2022, ASC's implementation of the LOTE for all six CCSMs was confirmed. LOTE will replace the propulsion systems, diesel engines, generators, power conversion and distribution systems, and include a cooling system upgrade.

The CCSM LOTE will extend the fleet's service life into the 2040s. Planning and preparation is proceeding on schedule, with FoC implementation set to begin in 2026.

Company Structure

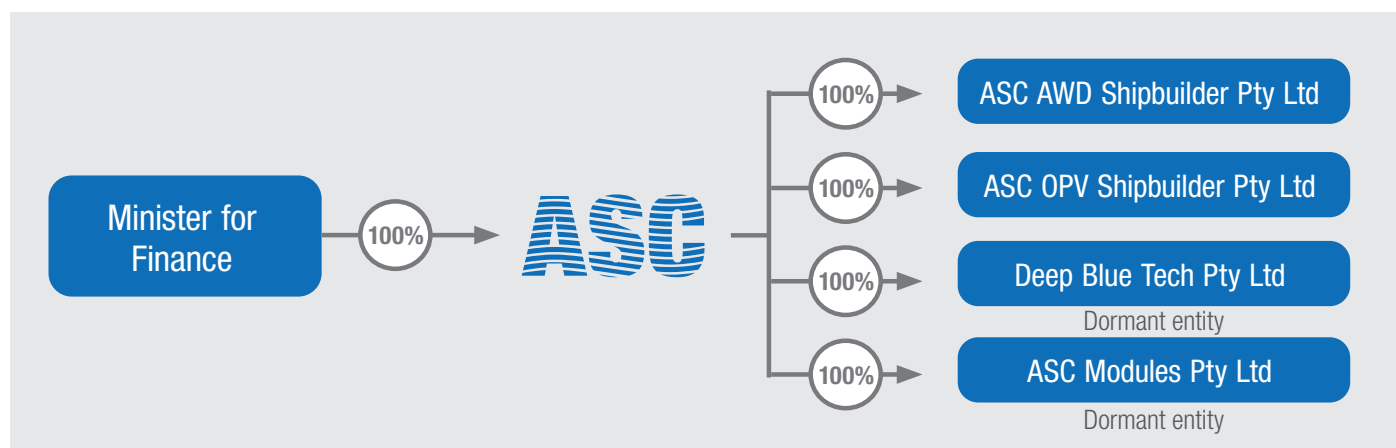


Figure 1 - ASC's company structure.

Purpose, Vision, Mission and Values

Purpose

ASC is Australia's sovereign submarine company. As the nation's only industrial submarine capability, it plays an important role in achieving Australia's long-term defence objectives. ASC is committed to delivering high-quality sustainment of the CCSMs to the RAN, and to supporting the Australian Government's Optimal Pathway to acquiring a future SSN capability, including through the delivery of the SSTP.

Ensuring the CCSM fleet's availability and capability through to its post-LOTE withdrawal date remains the company's core focus. ASC is committed to achieving continuous improvement and developing its workforce in order to remain Australia's leading provider of submarine platform expertise and services.

In addition to these strategic goals, the company's constitution sets out two other key objectives that guide ASC's activities. These are to:

- enhance and maintain the Australian Defence Force's maritime defence capabilities; and
- support CoA policies in relation to the Australian naval surface shipbuilding and repair industry, and the submarine sustainment and construction industry.

Vision

To be Australia's sovereign submarine builder and maintainer – integral in delivering our nation's maritime strategy.

Mission

To be a trusted and efficient partner with sovereign design, build and sustainment capabilities, driving best value for our customers.

Values

Protect – We look out for one another and maintain a safe and secure workplace.

Respect – We value diverse perspectives, treating others considerately and professionally.

Integrity – We are always honest, thoughtful and accountable for our decisions.

Discipline – We follow proven processes to deliver on commitments to each other and our customer.

Excellence – We strive together to be the best we can be now and in the future.



ASC is committed to achieving continuous improvement and developing its workforce in order to remain Australia's leading provider of submarine platform expertise and services.



Submarine Sustainment and Capability Development

ASC's primary objective during the planning period is to ensure the CCSM fleet's ongoing availability and capability. This is imperative to Australia's maritime defences during the transition to an SSN fleet.

ASC is committed to:

- meeting the RAN's requirements for CCSM availability, reliability and supportability;
- achieving and maintaining CCSM safety and technical integrity requirements; and
- ensuring that, by achieving these objectives, it delivers the CoA value for money.



Life of Type Extension

The LOTE project will enable the RAN's CCSMs to continue operating effectively for 10 years beyond their original withdrawal date, ensuring Australia retains a potent, conventionally powered submarine capability to 2048.

Through the LOTE, ASC will pre-emptively address key reliability and obsolescence risks that may occur during the boats' extension periods, and install significant upgrades which are being developed by ASC and the Combat System Integrator under CoA direction.

Major work will include installing new propulsion systems, diesel engines and generators, and power conversion and distribution systems, upgrading the CCSMs' cooling system and conducting a range of hull assessments.

FoC implementation is on schedule to commence in mid-2026 on HMAS *Farncomb* during its scheduled two-year Full-Cycle Docking (FCD), with preparations for this now well advanced.

Submarine Training and Systems Centre

ASC has provided submariner training services to the RAN at the STSC, HMAS Stirling (WA) since 1992.

ASC currently employs 45 staff at the STSC, including instructors, training developers, learning technology specialists and administrative support. The majority of its instructors are veteran submariners.

The team works alongside uniformed RAN staff to create and deliver approximately 70% of submariners' CCSM training requirements, including through the production of world-class virtual-reality (VR) applications. ASC-run courses span the full range of curricula: warfare and command; mechanical and electrical systems operation and maintenance; combat system maintenance; control room operations; and, since 2022, navigation instruction.



The LOTE project will enable the RAN's CCSMs to continue operating effectively for 10 years beyond their original withdrawal date, ensuring Australia retains a potent, conventionally powered submarine capability to 2048.

Sovereign Shipbuilding Talent Pool



The SSTEP was established in September 2021 following the Australian Government's cancellation of the ACSM, to retain, grow and develop a suitably skilled workforce to facilitate the nation's transition to an SSN fleet.

The transition of 220 Naval Group Australia and Lockheed Martin Australia workers into ASC via the SSTEP concluded in January 2023. Consequently, the program has now shifted focus from on-boarding this cohort, to growing and developing their skill sets.

This focus will remain throughout the planning period, with an emphasis on preparing the necessary sovereign workforce capabilities to support the CoA's future SSN program. A key initiative will be facilitating international placements with key partners to ensure Australia's submarine workforce gains critical SSN skills, experience and know-how.

To ensure the CoA has access to the required number of Australian Submarine Qualified and Experienced Personnel (SQEP) for future SSN programs, ASC aims to continue growing its workforce.

This will be achieved through targeted learning and development (L&D) programs delivered through the SSTEP, including:

- bridging programs;
- micro-credentials and accredited courses;
- project-based, on-the-job training; and
- an Early Careers Program (ECP).

ASC has commenced planning for these activities and is in the process of implementing the ECP.



Strategy and Business Environment

ASC's core business remains focused on providing the sovereign industrial capability required to safely and effectively sustain the RAN's CCSMs.

Through LOTE, ASC's core CCSM business activities will extend into the 2040s. The company also aspires to play a significant role in the CoA's future SSN sustainment and construction.

As the nation's sovereign submarine sustainer, and the only organisation to have built submarines in Australia, ASC is well placed to contribute to these endeavours.

ASC's strategy for executing its core business, and realising future aspirations, is based around four key pillars:

1. Delivering exemplar performance on current programs – CCSM sustainment, LOTE and SSTP.
2. Transforming ASC's operating systems and infrastructure to deliver increased value to its customers, both now and for the future.

3. Enhancing ASC's sovereign submarine workforce to ensure it has the capabilities and capacity to deliver current programs, and contribute to future SSN opportunities.
4. Establishing collaborative national and international partnerships to support ASC's aspiration to contribute to the build and sustainment of Australia's SSNs.

Sovereign Supply Chain

Through its long-term sustainment of the CCSM, ASC has established a highly sovereign supply chain, achieving 92%

Australian Industry Content (AIC) by value. Under the LOTE, ASC will continue to invest in AIC and engage and support our sovereign supply chain into the 2040s.

A high-performance supply chain is critical in maintaining the CCSM's availability, and while some shortages and issues were experienced during the COVID-19 pandemic, having many domestic suppliers significantly mitigated the impacts.

ASC will continue to collaborate with its supply chain partners and Defence to improve resilience throughout this planning period.



Through its long-term sustainment of the CCSM, ASC has established a highly sovereign supply chain, achieving 92% Australian Industry Content by value.

Performance

Financial

The primary sources of revenue for ASC remain the CCSM Program and LOTE, the SSTP, STSC and OPV build (subcontracting to Luerksen Australia).

ASC's financial objectives are to achieve profit before tax and cash reserves in accordance with, or better than, planned projections.

Non-financial

ASC's core business to 2028 is centred on achieving its key performance indicators aligned to the CCSM Program and progressing the LOTE.

Upskilling and retaining SQEP through the SSTP to ensure Australia's sovereign submarine build and sustainment capabilities are maintained and developed to support future programs will also be a key focus.

Positive performance evaluations of the CCSM Program reflect ASC's ongoing collaboration with the RAN to support Australia's submarine outcomes. The program continues to meet the RAN's requirements for availability and increased efficiencies.

ASC will ensure Australia maintains a potent submarine capability as a critical strategic requirement of the Government.

In 2023-24, ASC will:

- implement scheduled maintenance activities on CCSMs at its Osborne (SA) and Henderson (WA) facilities;

- continue progressing its planning and design work for the CCSM LOTE;
- continue implementing the SSTP to further develop the nation's sovereign submarine workforce;
- deliver state-of-the-art submariner training, including through the use of advanced VR technology that provides a realistic in-boat experience; and
- continue implementing its DTP.



Work Health, Safety and Environment

The health, safety and wellbeing of ASC's employees, contractors and visitors remains the company's highest priority. Similarly, ASC is committed to preserving the natural environment; it aims to not only exceed legislative requirements, but embed an organisation-wide ethos of environmental awareness and protection.

The company's WHSE Strategy 2021-2023 provides a roadmap for achieving these goals and safety-culture maturity. It guides activity in four strategic focus areas.

Leadership and Accountability

To ensure all employees are engaged and empowered when it comes to safety, ASC launched its WHSE Risk Competency and Leadership Program in 2022, with comprehensive training delivered over two full, non-consecutive days.

The program, which incorporates interactive activities based around dynamic video and cutting-edge VR technology, will continue throughout 2023, with a third day of training added specifically for leaders. This additional day will focus on leadership competencies using the proven LEAD (leverage, energise, adapt and defend) leadership model.

Communicate and Engage

ASC will continue to empower its employees to take control of their own safety, through a culture of trust, transparency and open communication.

In 2022-23, ASC successfully launched the LEAD Prestart Board across all production

teams to set up for a safe and productive shift through two-way communication aligned to the company's WHSE Strategy. The LEAD Boards reinvigorate the old Prestart format by 'warming up the mind' through team/crew active reflection, including assessments of – and recognition for – productivity and safety performance.

The company also enhanced its WHSE Reward and Recognition Program in 2023, through the introduction of a WHSE Positive Impact Award, recognising both risk identification and the implementation of mitigation controls.

Governance and Compliance

ASC is certified to ISO45001, re-certified to ISO14001, and has an integrated WHSE system enabled by fit-for-purpose frameworks that are integrated into governance forums and reporting. Contractors are also engaged in ASC's safety culture and consistently apply the company's safety structures, frameworks and strategies.

WHSE dashboards and reports ensure key safety indicators and processes are effectively managed with a balanced scoreboard of both lead (culture and behaviour) and lag measures. Technical capabilities will be maintained across the WHSE department to deliver high-calibre support and ensure heightened WHSE performance.

In relation to environmental management, ASC further strengthened its framework in 2022 through the development of Site-Specific Environmental Management Control Plans.



Leaders and employees are equipped to identify hazards, assess risks and continually improve processes, with risk assessment embedded into ASC's culture.

Hazards and Risks

ASC's critical-risk management framework provides a clear view of major operational hazards, with key components being the company's Safety Critical Risk (SCR) Program and related Life Saving Commitments.

In 2022-23, in the pursuit of continuous improvement, ASC has focused on further simplifying SCR Program support tools and information for the end-user.

Leaders and employees are equipped to identify hazards, assess risks and continually improve processes, with risk assessment embedded into ASC's culture. This includes understanding and managing psychosocial risks.



ONE TEAM
PRIDE
SAFE, ENGAGED AND
CUSTOMER FOCUSED

-8M4
-2
-8M
-8
-6
-4
-2

-6
-4
-2

People and Culture

ASC recognises that the unique skills and experience of its workforce is its most valuable asset, and continuing to attract, retain and develop skilled employees is critical to achieving its goals.

ASC will continue its strategic workforce planning process out to 2028 to optimise existing capabilities, while identifying future organisational and capability requirements to resource its current and future activities.



Programs are designed to foster a culture of learning, create an environment of trust, engagement, wellbeing and high performance, and empower ASC's people to adopt a growth mindset.

Learning and Development

ASC's L&D Team has developed an L&D Strategy to meet long-term business requirements, strengthen organisational effectiveness and embed knowledge-transfer practices.

This includes numerous initiatives in the areas of: talent and leadership development; technical learning; early-career opportunities; and future workforce planning and development.

The programs are designed to foster a culture of learning, create an environment of trust, engagement, wellbeing and high performance, and empower ASC's people to adopt a growth mindset to be more effective in their careers.

Employee Engagement

ASC is committed to ensuring its people continue to feel valued, supported and engaged. Maintaining a strong emphasis on cultural transformation, the company will continue to entrench its PRIDE values (Protect, Respect, Integrity, Discipline, Excellence) through the ongoing implementation of ASC's Culture and Engagement Strategy.

An important step will be the release of a new Employee Value Proposition (EVP) in 2023. The revised EVP will more persuasively communicate the benefits of working with ASC, strengthening the company's ability to attract and retain high-calibre talent.

ASC's employee recognition program will also continue. The program highlights employees whose efforts go 'above and beyond' and directly reflect the PRIDE values, or support health and safety. Long-service milestones are also recognised.

Diversity and Inclusion

Since launching its *Together as One* Diversity and Inclusion (D&I) Action Plan in 2021, ASC has developed a culture that encourages diverse thinking, rewards curiosity, creates opportunities and drives innovation. This work will continue throughout the planning period.

Recognising that diversity has many dimensions, ASC identifies distinct pillars of focus in its D&I plan. Initially, these were: Age; Aboriginal and Torres Strait Islander Participation; Gender; and Building Advocacy. In the second half of 2022, the 'Age' pillar

was removed due to it being effectively managed (with activities absorbed into general operations) and two new pillars were adopted: Disability and LGBTQIA+.

The delivery of initiatives in each pillar is managed by a voluntary working group, except for the Disability pillar, which is currently in the research phase. The LGBTQIA+ pillar has a working group and is in the process of finalising its planned activity.

Reconciliation progress

ASC will continue to embed and build awareness of, and respect for, the significance of Australia's First Nations people, their culture and history, including through a variety of staff events, activities, campaigns and training programs.

To guide and support these efforts, the company worked closely with Reconciliation Australia to develop its second Reconciliation Action Plan, *Innovate*, which was launched during National Reconciliation Week on 1 June 2023.

Advances for women

In early 2023, the company received formal endorsement as an 'Employer of Choice for All Women' from WORK180, a global jobs network promoting D&I. It also became a supporting sponsor of the University of Adelaide's Women in STEM careers program; and later in 2023 the ASC Women's Network will launch its own advocacy program.

The ASC Gender working group will seek to maintain this momentum.

Risk Management

Effective risk management serves to create and protect value for ASC and plays an important part in helping the company achieve its Corporate Strategic Objectives. ASC recognises that risk management is integral to good management practice and effective corporate governance, and informs sound business decisions.

ASC is committed to ensuring that enterprise risk management is maintained throughout the 2023-28 planning period as a core enabling discipline within the organisation. This commitment is demonstrated through its comprehensive Risk Management Framework ('the Framework') and Risk Governance Structure.

The Framework includes an overarching policy direction for risk management across the organisation and outlines ASC's Risk Appetite Statement. Its design and operation aligns with AS ISO 31000:2018 Risk Management – Guidelines (ISO 31000) and describes ASC's approach to the risk management process, including risk identification, evaluation, treatment and monitoring, reporting and continuous improvement.

The ASC Board and Executive monitor risk performance indicators, with supporting metrics, monthly against defined risk-tolerance levels. When residual risk ratings are deemed to be outside the company's appetite, targeted risk management plans are applied.

ASC's risk profile considers risks at the strategic, operational, program and project level in the following categories:

- Strategic Planning;
- Submarine Sustainment;
- Operations;
- Engineering;
- Supply Chain;
- People and Culture;
- Finance;
- Governance Risk and Compliance;
- Technology; and
- WHSE.



ASC is committed to ensuring that enterprise risk management is maintained throughout the 2023-28 planning period as a core enabling discipline within the organisation.



ASC Pty Ltd

ACN 008 605 034

Registered and Head Office
694 Mersey Road North, Osborne
South Australia 5017

T +61 8 8348 7000

F +61 8 8348 7001

W asc.com.au

Find and follow us on:

Facebook - LinkedIn - Instagram - YouTube

