



STATEMENT OF CORPORATE INTENT

2024 – 2029



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Glossary

ACSM	Attack Class Submarine Program	L&OD	Learning and Organisational Development
AIC	Australian Industry Content	LLC	Limited Liability Company
APWD	Amended Planned Withdrawal Date	LOTE	Life of Type Extension
ASA	Australian Submarine Agency	MCS	Multi-Class Sustainment
ASD	Australian Signals Directorate	NSSG	Naval Shipbuilding and Sustainment Group
AUKUS	Australia, United Kingdom, United States	PP	Performance Period
AWD	Air Warfare Destroyer	PRIDE	Protect, Respect, Integrity, Discipline, Excellence
BASC	Business Assurance and Security Committee	RAN	Royal Australian Navy
CCSM	Collins Class Submarine	SA	South Australia
CoA	Commonwealth of Australia	SCI	Statement of Corporate Intent
CSI	Combat System Integrator	SRF-West	Submarine Rotational Force - West
DTP	Digital Transformation Program	SSN	Submersible Ship Nuclear
FCD	Full-Cycle Docking	SSTP	Sovereign Shipbuilding Talent Pool
FoC	First of Class	STSC	Submarine Training and Systems Centre
HCFP	Hunter Class Frigate Program	UK	United Kingdom
HMAS	His Majesty's Australian Ship	US	United States
IJV	Incorporated Joint Venture	VCS	Virginia Class Submarine
ISO	International Organization for Standardization	WA	Western Australia
ISSC	In-Service Support Contract	WHSE	Work Health, Safety and Environment





Letter from the Chair

Bruce Carter

As Chair of the Board of ASC Pty Ltd (ASC), I present the ASC Statement of Corporate Intent (SCI), which covers the years of 2024-29, as required under subsection 95 (1) of the *Public Governance, Performance and Accountability Act 2013*. This SCI summarises the company's corporate strategy, future opportunities, performance targets and risk management.

The document also reflects significant changes for the company. On 22 March 2024, the Commonwealth of Australia (CoA) announced that it had selected ASC as a Sovereign Submarine Partner in its program to support, build and operate conventionally armed, nuclear-powered submarines (known as SSNs – 'Submersible Ship Nuclear') in Australia. ASC's leading role in the program includes:

- sustaining SSNs in Australia, including visiting United States (US) and United Kingdom (UK) boats rotating through Submarine Rotational Force – West (SRF-West, from 2027), Australia's US-built Virginia Class submarines (VCS, from 2032) and the Australian-built SSN-AUKUS boats (from 2042); and
- jointly building, through an incorporated Joint Venture (JV) formed with BAE Systems, Australia's SSN-AUKUS submarines (construction to begin by the end of this decade).

ASC proudly accepts this responsibility and is progressing program plans, particularly in the areas of nuclear preparedness and workforce growth and capability.

The additional SSN Program scope has necessitated ASC's transition into a nuclear-ready, multi-class organisation, with accompanying restructuring and operational-model changes, including the establishment of subsidiaries in the US and UK. Underpinning all these changes is the company's resolute focus on ensuring the Collins Class submarine (CCSM) fleet remains capable and available to the Royal Australian Navy (RAN).

ASC has now completed Performance Period Four (PP4, 2020-24) under the CoA's CCSM In-service Support Contract (ISSC) and has finalised terms for Performance Period Five (PP5, 2024-28) with the CoA.

The CCSM Life of Type Extension (LOTE) project is also progressing with the LOTE Detailed Design phase and ASC is working with the Naval Shipbuilding and Sustainment Group (NSSG) to transition into the scope and contracts for LOTE. ASC will commence HMAS *Farncomb's* First of Class (FoC) LOTE in mid-2026.

ASC continues to acknowledge the importance of its highly skilled workforce and the need to prioritise workers' safety. Appropriate steps will be taken throughout the 2024-29 period and beyond to embed nuclear safety awareness and training initiatives into the company's Work Health, Safety and Environment (WHSE) strategy.

The ASC Board and Executive endorse this SCI.

Bruce Carter AO
Chair



1 Company Profile

Company Profile

Overview

Established in 1985, ASC is Australia's submarine company. Its highly skilled staff offer a depth of submarine design, project management, supply chain, build and engineering experience and expertise that is unparalleled in Australia's defence industry. ASC built the nation's CCSMs and now sustains them. It is also delivering the CCSM LOTE, has been selected by the Australian Government as sole sustainer and joint builder of SSNs in Australia, and plays a leading role in training RAN submariners.

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* and owned by the CoA, represented by the Department of Finance. It employs over 2,400 permanent and contract staff across two states, primarily located in Osborne, South Australia (SA), and Henderson, Western Australia (WA).

ASC was 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*, Garden Island, WA. ASC continues to perform this role 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, with the RAN formally accepting all three.

In June 2018, ASC Shipbuilding was announced as the 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, the CoA cancelled its Attack Class Submarine (ACSM) Program in favour of acquiring SSNs through AUKUS, a trilateral security partnership between Australia, the UK and US. In order to retain and develop Australia's submarine workforce, ASC was contracted by the CoA to execute the Sovereign Shipbuilding Talent Pool (SSTP) Program.

In 2022, ASC's implementation of the LOTE for all six CCSMs was confirmed. The LOTE project will replace the boats' propulsion systems, diesel engines, generators, power conversion and distribution systems, and include a cooling system update, extending the fleet's service life into the 2040s. LOTE planning and preparation is underway and FoC implementation will commence in mid-2026 on HMAS *Farncomb* during its scheduled two-year Full-Cycle Docking (FCD).

In March 2024, ASC was selected by the CoA as a Sovereign Submarine Partner for its SSN program, marking the beginning of an exciting new era for the company. ASC is the sole sustainer of SSNs in Australia, including visiting US and UK boats, Australia's US-built VCSs and sovereign-built SSN-AUKUS; and joint builder, with BAE Systems, of Australia's SSN-AUKUS submarines.

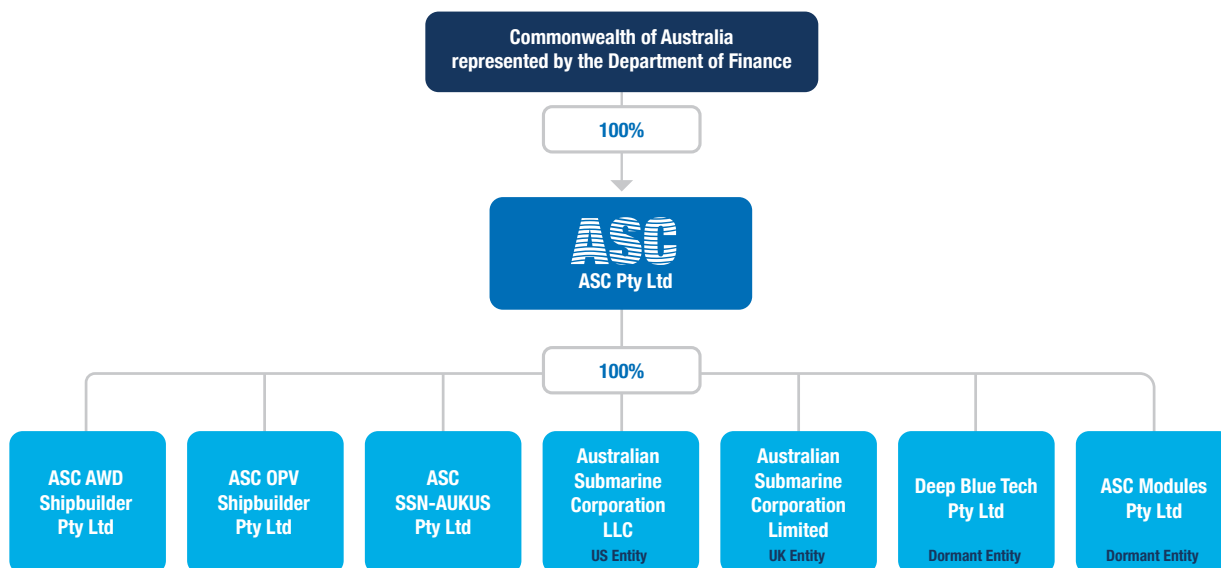


Figure 1: ASC's company structure.



2

Purpose, Vision, Mission and Values

Purpose, Vision, Mission and Values

Purpose

ASC is Australia's submarine company. As the nation's sovereign industrial submarine capability, it plays an important role in achieving Australia's long-term national defence objectives.

ASC is committed to delivering high-quality CCSM sustainment, the CCSM LOTE, and supporting the CoA's Optimal Pathway for acquiring a future SSN capability.

Ensuring safe, available, and capable CCSMs for the RAN remains a core focus for the company while it transforms its business and develops its workforce in support of the CoA's future SSN build and sustainment requirements.

ASC also looks forward to using its expertise and experience as Australia's sovereign submarine industrial entity to contribute to the design and implementation of a well-founded Australian Submarine Enterprise that can deliver and sustain an SSN capability.

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 (ADF) 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, Mission and Values

VISION

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

MISSION

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

PRIDE 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.



3

Operating Environment

Operating Environment

External

ASC announced as a Sovereign Submarine Partner

On 22 March 2024, the CoA announced that ASC had been selected as a Sovereign Submarine Partner to sustain and jointly build SSNs in Australia.

ASC and BAE Systems will collaborate to establish a long-term IJV to build Australia’s SSN-AUKUS submarines in Osborne, SA. Construction will commence later this decade, with the first boat delivered in the early 2040s.

SSN sustainment will be conducted solely by ASC and take place in WA, beginning with US and UK boats rotating through SRF-West (from 2027), followed by Australia’s future US-built VCSs (from 2032) and later, the sovereign-built SSN-AUKUS.

These appointments mean ASC will play an important role in all phases of the AUKUS Optimal Pathway. They recognise ASC’s decades of experience at the centre of Australia’s sovereign submarine program, and the capabilities resident in the company’s workforce and network of partners and suppliers.

ASC is currently engaged in the significant planning and preparatory work required to deliver these programs, including growing and skilling the future workforce.

The company is also continuing to sustain Australia’s CCSMs and will do so through to their amended planned withdrawal dates (APWD) through the LOTE project.

Integrated across ASC’s SA and WA sites, the MCS Program will allow ASC’s specialist in-service sustainment capabilities to be optimised across all classes in accordance with Australian Submarine Enterprise priorities to achieve best-for-enterprise outcomes.

The SSN-AUKUS Build Program will be responsible for the construction of Australia’s SSN-AUKUS submarines in Osborne, SA, jointly with BAE Systems. The two parties will initially operate through a Collaboration Agreement and separate mobilisation contracts, before entering into an IJV.

ASC’s Nuclear and Capability Development function will centrally manage the development of people, processes and systems in the company’s key capability areas of program management, engineering, operations and supply chain. It will also ensure that the required nuclear regulatory frameworks, safety and quality systems and culture are embedded throughout the organisation.

Finally, to underpin ASC’s work in the US and UK, two international entities have been established: Australian Submarine Corporation Limited in the UK; and Australian Submarine Corporation LLC in the US. Both incorporated in April 2024, these entities will be responsible for:

- the employment of ASC personnel recruited in, or seconded on a long-term basis to, the US or UK;
- liaison with trilateral governmental and defence organisations; and
- engagement with international partners and suppliers.

Internal

New operating model adopted

In response to its selection as a Sovereign Submarine Partner, ASC is transforming its operating model to better align its capabilities with the CoA’s future requirements.

Central to this is the establishment of two key delivery programs: a Multi-Class Sustainment (MCS) Program for the sustainment of Australia’s conventional and SSN submarines; and an SSN-AUKUS Build Program for the construction of Australia’s future SSN-AUKUS fleet. Both will be supported by a centralised and optimised capability function, as shown in Figure 2.

The MCS Program will be responsible for ongoing CCSM sustainment, including LOTE; providing support to visiting and rotational US and UK SSNs at HMAS *Stirling*; and sustaining Australia’s SSNs.

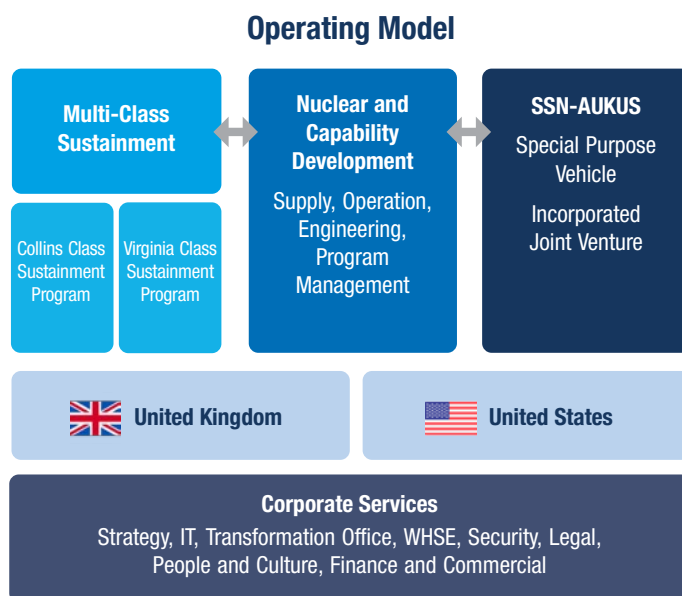


Figure 2: ASC’s Operating Model.



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Corporate Strategy

Corporate Strategy

ASC's core business remains focused on providing the sovereign industrial capability required to safely and effectively support Australia's current and future submarines.

Key elements of the company's business include:

- CCSM sustainment under the comprehensive, performance-based ISSC;
- the LOTE design and implementation program to extend each CCSM's operating life by 10 years while ensuring they remain safe, available and capable;
- providing sustainment support to visiting and rotational US and UK SSNs, and building a sovereign-ready capability to sustain Australia's future VCSs;
- building Australia's future SSN-AUKUS submarines through an IJV with BAE Systems; and
- providing submarine-platform-systems training to RAN submariners at the STSC.

ASC's operations supporting Australia's current and future submarine capability are based in the following locations:

- ASC North, Osborne Naval Shipyard, SA, where the CCSMs were originally built, undergo deep-maintenance Full-Cycle Dockings (FCDs) and will undergo their LOTE, and where Australia's SSN-AUKUS fleet will be built;
- ASC West, Henderson Maritime Precinct, WA, where CCSM docked in-service maintenance is performed; and
- HMAS *Stirling*, WA, where CCSM in-service alongside maintenance and submariner training is conducted, and where visiting and sovereign SSNs will be supported and sustained.

ASC's strategy for executing its core business and growing its capabilities to deliver future programs is based around four key pillars:

OPERATIONAL EXCELLENCE

Delivering safe, available and capable submarines to the RAN and supporting its AUKUS partners in operating submarines from Australian bases.

TRANSFORMATION

Transforming the company's business to support the nation's transition from conventional submarines to SSNs.

WORKFORCE

Generating, developing and retaining the company's workforce to assure current submarine programs and deliver future SSN programs.

PARTNERSHIPS

Partnering collaboratively with Defence, industry and wider stakeholders to successfully deliver current and future submarine programs.

These pillars are underpinned by ensuring ASC's 'licence to operate'. This requires upholding the company's safety, environmental and security obligations, working to the highest quality standards, and establishing and maintaining community goodwill as the company transitions to an SSN enterprise.

Also supporting the pillars, and significantly strengthening ASC's ability to work with AUKUS partners, is the company's Digital Transformation Program (DTP). The DTP involves the implementation of modern information and communications technology systems throughout the business to drive efficiencies and deliver improved business capability and customer outcomes.



5

Multi-Class Sustainment

Multi-Class Sustainment

Collins Class Sustainment

ASC's primary objective during the 2024-29 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 through the AUKUS alliance and to support the nation's ongoing work with key allies and regional partners to foster security and stability in the Indo-Pacific.

ASC is committed to supporting the RAN and the NSSG by:

- meeting the RAN's requirements for CCSM availability, reliability and sustainability;
- achieving and maintaining CCSM safety and technical integrity requirements; and
- ensuring that, in achieving these objectives, ASC 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 for many years to come.

Through the LOTE, ASC will:

- pre-emptively address key reliability and obsolescence risks that may occur during the boats' extension periods; and
- install significant updates being developed by ASC and the Combat System Integrator (CSI) under CoA direction.

FoC implementation will commence in mid-2026 on HMAS *Farncomb* during its scheduled two-year FCD. Preparations for this are now well advanced, including the engagement of original CCSM designers SAAB Kockums as a LOTE design capability partner.

Nuclear-Powered Submarine Sustainment

US and UK conventionally armed SSNs

Prior to the acquisition of Australia's own sovereign VCSs in the early 2030s, ASC will provide sustainment for visiting US VCSs and UK submarines at Garden Island, Western Australia.

This work will commence with a rotational presence of US and UK conventionally armed SSNs. In the interim, ASC personnel will undergo VCS sustainment training, including on-the-job training deployments to the Pearl Harbor Naval Shipyard in Hawaii prior to the end of 2024.

Australian VCSs

In the early 2030s, Australia will acquire US-built VCSs. ASC will integrate VCS sustainment with its existing CCSM sustainment program to deliver consistent submarine availability to the RAN.

Australian SSN-AUKUS submarines

In the early 2040s, the first SSN-AUKUS conventionally armed SSNs will be delivered. ASC will be responsible for sustaining these submarines, including their short-term, medium-term and deep-cycle maintenance.

Capability Partners

ASC will engage expert capability partners to contribute to the successful sustainment of SSNs in Australia. The company is establishing a capability support framework that will enable it to draw from best-for-class providers to deliver VCS Sustainment Program solutions and value-for-money outcomes. Once program requirements are mapped, ASC will develop a capability support analysis and expected delivery timeline.



6

Submariner Training

Submariner Training

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

The company currently employs 44 staff at the STSC, including instructors, training developers, learning technology specialists and administrative support. The majority of its instructors are veteran submariners.

ASC's team works alongside uniformed RAN staff to develop and deliver over 100 individual courses, forming approximately 70% of CCSM crew training requirements, arranged into a variety of role-specific continuums.

These courses span the full range of curricula, including warfare and command, mechanical and electrical systems operation and maintenance, combat system maintenance, control room operations and navigation instruction.



Image Source: Royal Australian Navy



SSN-AUKUS Build

SSN-AUKUS Build

Capability Partnerships

ASC has been selected by the CoA to jointly build a minimum of three SSN-AUKUS submarines, and up to five, in Australia.

ASC and BAE Systems will form an IJV to construct the submarines at the Osborne Naval Shipyard, SA. Once enacted, the IJV will be accountable for the delivery of the SSN-AUKUS submarines, and the associated safety, security and regulatory compliance.

The collaboration between ASC and BAE Systems will ensure that Australia establishes a strong sovereign submarine building capability for the future. ASC looks forward to working with BAE Systems to deliver this history-making program.

Work on the first SSN-AUKUS submarine is scheduled to get underway before the end of this decade, with delivery to the RAN from the early 2040s.

ASC is well placed to undertake this work. As the builder, sustainer and LOTE partner for the CCSM fleet, ASC has unrivalled expertise in submarine construction, combat systems integration, testing, commissioning and certification. ASC has a proven track record of establishing a 'green field' submarine construction capability, with a skilled workforce, and a comprehensive Australian and international supply chain.

Sovereign Shipbuilding Talent Pool

The SSTP was established in October 2021 following the CoA's cancellation of the ACSM, to retain, grow and develop Australia's shipbuilding workforce as the nation embarked on the acquisition of its SSN fleet. The SSTP has consistently delivered on its key objectives:

- retaining shipbuilding skills and know-how within the Australian shipbuilding industry; and
- growing skill sets and capability within Australia's workforce in preparation for the sovereign sustainment and construction of SSNs.

A major part of this work involved supporting the Australian Submarine Agency (ASA), including by:

- developing and implementing Early Careers Program offerings for apprentices, graduates and undergraduates;
- developing various learning and development initiatives for former ACSM Program workers re-employed in ASC; and
- seconding ASC staff to provide expert support directly to the ASA.

Also via the SSTP, a number of ASC personnel have:

- undertaken postgraduate courses in the UK, obtaining qualifications in nuclear science and technology; and
- contributed to the development of the CoA's SSN capability and workforce strategy.



Image Source: BAE Systems



Nuclear Preparedness

Nuclear Preparedness

As the CoA's chosen sustainer and joint builder of SSNs in Australia, ASC recognises its obligation to assure the AUKUS Submarine Enterprise's safety and security. This includes the attainment and preservation of the social licence to operate, underpinned by genuine community engagement and the pursuit of technical excellence.

Culture Development

ASC will evolve its culture to operate in a nuclear environment, which will bring significantly greater complexity, risk consequence and regulation.

To prepare for this, ASC has already completed a scoping exercise to understand its cultural requirements and determine what the company will need to enhance or change in its ways of working.

As a result of the exercise, the company has committed to undertaking the following initiatives to build a strong nuclear culture:

- Deliver a business-wide Cultural Transformation Program that will evolve ASC's PRIDE (Protect, Respect, Integrity, Discipline, Excellence) values and behaviours to align with the requirements for successful operation in a nuclear environment.
- Ensure alignment with the ASA's Nuclear Mindset Principles.
- Embed the evolved PRIDE values and behaviours.

While the immediate focus will be on cultural transformation, with a strong focus on behavioural change, embedding the change will come to the fore as commencement nears for SRF-West SSN sustainment.

ASA Nuclear Mindset Principles

 Nuclear Safety is paramount	 Genuine commitment to nuclear security and safeguards	 The best people, dedicated to excellence	 Maximise lethality, reliability, availability and readiness	 Accountability
 Strive for improvement	 Compliance with approved standards and procedures	 Not living with deficiencies	 Decisions are well-informed and underpinned by strong technical evidence	 Clear and effective communication



9

Supply Chain

Supply Chain

Collins Class

Over the course of its long-term sustainment of the RAN's CCSM fleet, ASC has established a highly sovereign supply chain which has consistently achieved more than 90% Australian Industry Content (AIC) by value. This high-performing sovereign supply chain plays a critical role in maintaining the CCSMs' availability and capability.

With this benefit in mind, ASC is partnering with original equipment manufacturers to develop and implement Australian Industry Capability Plans for the CCSM LOTE project. These plans are expected to be finalised and actioned during 2024-25, ahead of the LOTE commencing in mid-2026.

This ongoing investment in AIC through CCSM sustainment and the LOTE will engage and support ASC's sovereign supply chain into the 2040s.

Nuclear-Powered Submarines

ASC has an opportunity to further strengthen and diversify Australia's sovereign supply chain for many decades to come.

By contributing to the design, build and sustainment of advanced SSN platforms, ASC will be able to broaden its engagement with Australian industry (with a focus on small-to-medium enterprises) to supply specialised materials and services to SSN programs in Australia, the US and UK.

This collaboration will not only bolster Australia's sovereign defence capabilities, but stimulate domestic innovation and expertise in high-tech manufacturing and engineering.

ASC is working closely with the ASA and AUKUS partner organisations, including SSN-AUKUS build partner BAE Systems, to formulate plans for managing Australia's SSN supply chain.





10

Security

Security

Protective Security

ASC's Protective Security Mission

To educate and support ASC personnel to deliver an uncompromised capability, underpinned by a robust security culture, in the interest of Australia's national security; and protect the people, information and assets of ASC, Defence and international partners against threats while minimising risks.

Protective security has always been given the highest of priorities at ASC. Now, with the company being selected by the CoA to sustain and jointly build SSNs in Australia, it's being strengthened even further.

ASC's Security team is working closely with counterparts in relevant federal and AUKUS-partner agencies to ensure:

- protection of ASC personnel and assets owned by, or entrusted to, ASC, including information, data and physical material – most critically, naval nuclear propulsion technology;
- compliance with Defence Industry Security Program requirements as outlined in the Defence Security Principles Framework, Protective Security Policy Framework and Information Security Manual; and
- compliance with regulatory requirements for the protection of Critical Infrastructure assets under ASC management.

Increasing Resources

ASC Security is currently expanding as it restructures to support the ongoing availability of CCSMs, the company's transition to MCS and the SSN-AUKUS build.

This additional resourcing will further strengthen ASC's protective security across supply chain security, overseas travel and deployment, personnel security, physical security and information security. It will also support robust business continuity systems, proportionate to the company's new operational requirements.

Cyber Security

ASC's Cyber Security Mission

To deliver an enduring cyber capability that protects ASC's licence to operate and enhances the sovereign build and sustainment of multiple classes of submarines.

As ASC undertakes its role in the build and sustainment of SSNs in Australia, the company will continue to evolve and adapt its cyber security strategy and resources.

As part of this, ASC will work to understand and respond to the inherent environmental risks and threats associated with SSNs.

Key Capabilities

The company structures its cyber security objectives and resources across five key capability areas:

- 1 IDENTIFY**
Identify and manage cyber security risk to the organisation.
- 2 PROTECT**
Protect the organisation's people, data, technology and processes.
- 3 DETECT**
Detect cyber attacks and anomalous activities, including insider threats.
- 4 RESPOND**
Degrade, contain and stop active cyber attacks and learn from the past.
- 5 RECOVER**
Minimise the impact of cyber incidents on the organisation.

Enhancements in these capability areas will be delivered through both people and systems.

The ASC Cyber Security team constantly scans the market for new technologies to strengthen the company's capability.

Supporting this, ASC's Information Technology team applies a vendor strategy that includes capability insertions to help mitigate the risk of scarce cyber resources in Australia.



11

People and Culture

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 has made several enhancements to its Employee Value Proposition, communication and employee experience programs. These have been captured and communicated both internally and externally (nationwide) through a major employer-brand marketing campaign, launched in the second half of 2023. The campaign, which will continue running for the foreseeable future, features the core message that working at ASC brings 'A Deeper Purpose'.

Collectively, these efforts have resulted in increases in overall employee engagement and enhancing ASC's ability to attract new employees.

ASC will continue its strategic workforce planning process out to 2029 to optimise existing capabilities, while identifying future organisational and capability requirements to resource MCS (including the CCSM LOTE) and SSN-AUKUS Build Program work.

To meet the demand required to support these existing and new programs, ASC will invest significantly in a number of workforce interventions across the 2024-29 planning period, such as:

- leadership development programs;
- programs to build capability, supporting succession planning;
- knowledge transfer for people who possess key CCSM Program knowledge, such as mentoring and job shadowing;
- job rotations across the business;
- embedding individuals with international partners to build knowledge; and
- a 'nuclear mindset' cultural transformation program.



Nuclear-Powered Submarine Programs Workforce

Multi-Class Sustainment Work to Date

ASC's SSN sustainment workforce activities to date have been focused on identifying the required workforce, and the initiatives to deploy and develop that workforce, in readiness to support SRF-West from 2027.

Through collaborative working sessions with the ASA, NSSG and the US, progress is being made around defining immediate workforce demand and required workforce management principles.

Over the next five years, high-level SSN sustainment workforce activities are expected to contribute to ensuring Australia is prepared for SRF-West and is sovereign-sustainment-ready for the acquisition of US-built VCSs from the early 2030s.

SSN-AUKUS Build Work to Date

Over the course of the 2024-29 planning period the SSN-AUKUS Build Program will establish the core aspects for delivery in four major streams: submarine design and production; shipyard infrastructure; supply chain; and industrial base.

Key to this work will be the identification, acquisition and development of a suitably qualified and experienced workforce, with both core foundational and specialist shipbuilding skills.

Over the next five years ASC will implement a variety of workforce plans and initiatives, and build trusted relationships with its UK and US SSN enterprise partners, to address the need for significant workforce growth and unprecedented knowledge transfer.

Workforce Remediation

ASC is working with subject matter experts and capability leaders to identify what is required, and feasible, to support the company's multiple programs, including internal cross-program transfers and subsequent backfilling. This will inform short-term resource allocation and enable advanced warning, and responsiveness to, new program demands.

ASC will continue to ensure it protects its existing CCSM Program and the LOTE, and builds the required interventions to meet workforce needs for all programs.

Workforce Learning and Development

ASC's Learning and Organisational Development (L&OD) team has developed an L&OD Strategy to meet long-term business requirements, strengthen organisational effectiveness and embed knowledge-transfer practices.

This will assist ASC in achieving its commitments to CCSM sustainment and the LOTE, and support the development of key skills and competencies required for the multi-program environment ASC is transitioning into.

The strategy reflects the company's requirement to rapidly build ASC's technical capability and capacity; accelerate and support new personnel entering the business; develop and progress key talent; and improve individuals' leadership capabilities and effectiveness.

It also includes a number of mitigations identified through the annual workforce planning process to address future workforce demands and risks, such as planning for retirements.





12

Work Health, Safety and Environment

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 sustainability, environmental awareness, stewardship and protection.

Strategic Activity Plan

Recognising that organisational culture has a direct impact on WHSE performance, ASC has created an updated WHSE Strategic Activity Plan, spanning 2024-27, to provide a roadmap for:

- achieving a positive, mature and generative safety culture;
- creating an environment in which safety is viewed as a continual process that improves over time; and
- strengthening ASC's environmental management standards in a more socially responsible way.

Improvement opportunities

The new strategy focuses on the following 12 identified improvement opportunities for ASC, aligned to the company's Safety Guiding Principles:

1. Consolidate psychosocial risk management

We will enhance the business's capacity to identify and manage psychosocial risks, as well as merge all existing measures into a consolidated environment that makes the information accessible to all ASC staff.

2. Enhance the company's risk management framework

We will ensure availability of appropriate risk management tools that clearly establish how to identify, manage, record and escalate risk.

3. Enhance incident investigations, accident prevention and learning from failures

We will help the company learn and grow through contemporary, fit-for-purpose incident investigation and management, thereby increasing accident prevention and reducing recurrence.

4. Enhance industrial hygiene and wellbeing

We will expand the organisation's understanding, testing and control of volatile organic compounds, hazardous atmospheres, and the ways in which all chemicals are used and engaged with.

5. Enhance myosh (safety management application)

We will enhance the usability and functionality of the company's myosh safety management application to improve data input and output.

6. Enhance supervisors' WHSE training

We will develop leaders who are WHSE-competent as frontline supervisors, equipped with knowledge of their legislative obligations and personal accountabilities.

7. Enhance apprentices' WHSE training

ASC's next steps toward a generative safety culture cannot be successful unless its youngest workers – tomorrow's leaders – are enabled to take us there.

8. Expand and embed the WHSE secondment program

We will build and maintain positive and productive relationships between the WHSE team and secondees' departments, collaborating and sharing information to enable mutual knowledge and perspective gains.

9. Enhance injury management and return-to-work

We will provide a health service that delivers a collaborative, holistic approach to injury management, rehabilitation and return-to-work programs, and minimises injury management's impact on productivity.

10. Enhance environmental stewardship and best practice

We will be legally compliant and adhere to policy change, the introduction of new legislation and innovative environmental practices in industry, including the implementation of Climate-Related Financial Disclosures.

11. Enhance and consolidate emergency response capability

We will enhance crisis planning, response and emergency management across ASC sites to further support the recovery process through refinement and specialisation.

12. Expand nuclear-readiness, future frontiers and innovation

We will support the delivery of SSN capabilities through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulations; and we will update ASC's Environmental Management System to ensure both current and future risks are adequately understood, documented, and controlled.

Guiding principles

The company's approach to delivering these 12 improvements is guided by the following five key principles:

Five Key Principles



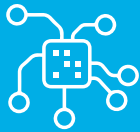
INFORMATION AND AWARENESS

We effectively communicate understandable and accessible WHSE information for our workforce, reflective of business needs.



ORGANISATIONAL COLLABORATION AND STANDARDISATION

We consult, cooperate and coordinate WHSE activities with our workforce to create relevant and standardised improvements.



SMART SYSTEMS ANALYSIS REPORTING AND GOVERNANCE

We report on systems', and their constituent elements', proactive WHSE performance, using data that is valid, reliable and accurate.



HEALTH, SAFETY, WELLBEING, ENVIRONMENTAL AND CULTURAL EXCELLENCE

We report on systems', and their constituent elements', proactive WHSE performance, using data that is valid, reliable and accurate.



INNOVATION AND CONTINUOUS IMPROVEMENT

We continually reflect on the way we work to find innovative ways to improve.





13

Environmental, Social and Governance

Environmental, Social and Governance

ASC's vision is to achieve environmental, social and governance (ESG) excellence to support a sustainable and responsible future for the company. ASC will ensure that mandatory sustainability reporting requirements are met, including the:

- Treasury Laws Amendment Bill 2024 (Schedule 4 Sustainability Reporting);
- Net Zero in Government Operations Emissions Reporting Framework; and
- Australian Accounting Standards Board Sustainability Reporting Standards on Disclosure of Climate-related Financial Information.

Based on a materiality assessment and mandatory reporting standards, ASC has identified a number of themes in each ESG area on which to focus sustainability efforts during the 2024-29 period.

Environmental Themes

To enable the company to effectively manage its impacts and dependencies on nature, minimise harm and create a positive impact, ASC will focus on:

- reducing energy and greenhouse gas emissions*;
- mitigating climate risk;
- enhancing waste management;
- enhancing water management; and
- protecting biodiversity and ecosystems.

Social Themes

To assist the company in positively impacting the people it engages with, ASC will focus on:

- strengthening its culture of health and safety*;
- lifting employee engagement and wellbeing*;
- enhancing workforce diversity and inclusion*;
- expanding its talent pipeline*; and
- attracting and retaining the right talent*.

Governance Themes

To support the company in establishing a robust governance framework that promotes transparency, accountability and ethical decision-making, ASC will focus on:

- strengthening ethics and accountability*;
- tightening information security*;
- reinforcing supply chain sustainability;
- ensuring delivery of quality and safe assets;
- monitoring risk and compliance; and
- reviewing and refining corporate governance structure.

**Themes marked with an asterisk will be prioritised for action in 2024-25.*

Social Licence

In order to successfully deliver the build and sustainment of Australia's SSNs, ASC will need to establish and maintain the social licence to operate, both within its workforce and throughout the Australian community.

Social licence refers to the ongoing acceptance, approval and endorsement from the community and stakeholders for an organisation's activities or projects. Establishing it will involve creating and communicating legitimacy, credibility, and trust.

To build social licence within its own workforce, ASC has commenced delivering nuclear training and education packages to build a nuclear mindset. This will ensure the company's workforce operates safely to protect itself and the community.

This training and education will continue throughout the 2024-29 planning period. It will also be supported by a broad cultural transformation program, with a strong emphasis on working in a nuclear environment and orienting employees to nuclear-mindset principles.

Externally, in collaboration with the ASA and ASC's SSN-AUKUS build partner, BAE Systems, ASC will develop and deliver an 'always on' community engagement and communications plan to provide information to the Australian public regarding Australia's SSN-AUKUS Build Program.

ASC will also develop a similar plan to establish social licence for Australia's SSN sustainment programs.



14

Risk Management

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, balancing risk versus reward. ASC recognises that risk management is integral to good management practice and effective corporate governance, and informs sound business decisions.

ASC has a strong risk management culture and takes a hands-on approach to managing risk. This is particularly important as the company continues to focus on CCSM sustainment, progresses the CCSM LOTE project, and transforms itself into a multi-platform organisation as an industry partner in the CoA's SSN build and sustainment programs.

ASC is committed to ensuring that enterprise risk management is maintained throughout the 2024-29 planning period as a core enabling discipline within the organisation. This will be achieved by establishing risk management processes, systems, training and oversight to ensure strategic objectives and corporate governance responsibilities are met.

Framework and Governance

ASC's strong commitment to risk management is demonstrated through its comprehensive Risk Management Policy and Framework ('the Framework') and Risk Governance Structure. The ASC Board leads risk management through the effective operations of the Business Assurance and Security Committee (BASC), which oversees the Framework's implementation and is responsible for monitoring risk performance to ensure threats and opportunities are appropriately identified, assessed, communicated and managed.

The Framework includes an overarching policy direction for risk management across the organisation and outlines ASC's Risk Appetite Statement. The Framework's design and operation aligns with AS ISO 31000:2018 Risk Management – Guidelines and describes ASC's approach to the risk management process, including risk identification, evaluation, treatment and monitoring, reporting and continuous improvement. As ASC is a CoA-owned entity, the Framework gives effect to elements mandated in the CoA Risk Management Policy.

Management Process

A company-wide risk register captures information, including controls, and documents the mitigation actions required to effectively manage risk in line with ASC's risk appetite. ASC is using the Predict! software system, which is also mandated by the Capability Acquisition and Sustainment Group for Defence major projects.

ASC aims to manage all its risks in line with its established risk appetite. The ASC Board and Executive monitor key risk indicators, with supporting metrics, on a monthly basis against defined risk-tolerance levels. When residual risk ratings are deemed to be outside the company's appetite, targeted risk management plans are applied to bring the associated risk(s) within appetite.

Risk Profile

ASC's risk profile considers risks at the strategic, operational, program and project level across areas that could impact organisational performance.

A number of risk categories have been incorporated into the Framework to enable the risk profile's review and analysis, ensuring the completeness of ASC's enterprise risk profile. These risk categories consist of:

- Strategy;
- Sustainment;
- Nuclear;
- Operations;
- Engineering;
- Supply Chain;
- People and Culture;
- Workforce Development;
- Finance;
- Governance, Risk and Compliance;
- Technology;
- WHSE; and
- Security.

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