

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2016-17

Finance Portfolio
18 October 2016

Department/Agency: ASC Pty Ltd
Outcome/Program: General
Topic: ASC – major work

Senator: Xenophon

Question reference number: F57

Type of question: Written

Date set by the committee for the return of answer: Friday, 2 December 2016

Number of pages: 2

Question:

In terms of major work:

1. In relation to the submarine sustainment contract:
 - a) What year was the Contract signed?
 - b) What is the total value of that contract?
 - c) What value is yet to be completed/invoiced?
 - d) In what year does this contract expire?
2. What year was the Air Warfare Destroyer Contract signed?
 - a) What year was the Contract signed?
 - b) What is the total value of that contract?
 - c) What value is yet to be completed/invoiced?
 - d) In what year does this contract expire?.
3. What other significant funded work does the company have on its order book? (e.g. supply ship work, OPV studies, Future Frigate studies, Future Submarines).
4. Was ASC aware of the need for an Icebreaker for the Australian Antarctic Division?
5. Did ASC consider a formal response to any request for information/expression of interest?
 - a) If so, what work did ASC undertake in relation to this opportunity?
 - b) Why did the company not respond to a request for information/expression of interest?
6. Noting the board's responsibility with respect to the company's order book:
 - a) What work is ASC seeking in respect of the Offshore Patrol Vessels?
 - b) What work is ASC seeking in respect of the Future Frigates?
 - c) What work is ASC seeking in respect of the Future Submarines?
7. What is the current book value of the ASC Group and individual companies (e.g. ASC shipbuilding, etc.)?
8. What direct involvement has ASC had development of Defence's Enterprise Naval Shipbuilding plan?
9. What dialogue has taken place between ASC and Defence in relation to the plan?
10. What information has the Department sought from ASC in support of the plan?

Answer:

1.
 - a) ASC signed the In Service Support Contract (ISSC) with the Commonwealth in 2012.
 - b) Details of contracts relating to Collins Class submarine sustainment are available on the AusTender website, noting that the total value is subject to the achievement of contractual obligations and is commercially sensitive.
 - c) The value yet to be completed/invoiced is commercially sensitive.
 - d) Subject to the terms of ISSC and the satisfactory performance of ASC, ISSC expires on the later of 30 June 2033 and the date the last Collins Class submarine is decommissioned from service.
2.
 - a) ASC signed the Alliance Based Target Incentive Agreement (ABTIA) with the Commonwealth in 2007.
 - b) Details of contracts relating to Air Warfare Destroyer construction are available on the AusTender website, noting that the total value is subject to the achievement of contractual obligations and is commercially sensitive.
 - c) The value yet to completed/invoiced is commercially sensitive.
 - d) ABTIA does not expire but will be terminated upon completion of the AWD Project.
3. ASC also has a contract with the Royal Australian Navy for the provision of submariner training at the Submarine Training and Systems Centre at HMAS Stirling in Western Australia and a contract with the Commonwealth for the provision of personnel to the SEA1000 Future Submarine Technical Office.
4. Yes.
5. No.
 - a) Question not applicable.
 - b) ASC assessed the Icebreaker opportunity at the time and decided not to participate in this project due to competing demands on the Air Warfare Destroyer project, shipyard capacity, and the specialised nature of this vessel.
6.
 - a) ASC is working closely with Government and the three shortlisted European designers to secure work on the Offshore Patrol Vessel project from the earliest possible stages.
 - b) ASC is working closely with Government and the three shortlisted European designers to secure work on the Future Frigate project from the earliest possible stages
 - c) ASC is working closely with Government and DCNS to secure work on the Future Submarine project from the earliest possible stages.
7. As at 30 June 2016 the net assets of the ASC group (ASC Pty Ltd and its controlled entities) were \$280,044,000. The value of the order book of ASC is commercially sensitive.
8. – 10. ASC works closely with Defence and Finance on various matters relating to Naval Shipbuilding.