

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: ASC Pty Ltd

Outcome/Program:

Topic: In Service Support Contract (ISSC)

Senator: Johnston

Question reference number: F54

Type of question: Written

Date set by the committee for the return of answer: Friday, 30 March 2012

Number of pages: 2

Question:

- a) What Government direction has been provided to ASC with respect to the negotiation of the ISSC?
- b) Please provide a list of the performance metric categories with respect to the ISSC.
- c) Please provide a description of the types of sanctions imposed on ASC for non-compliance with the performance metrics.
- d) What are the FCD time frames and costs being proposed by ASC (i.e. on the table) in the new ISSC?
- e) Do the terms of the ISSC, as proposed by Defence, allow Defence to get submarines fixed elsewhere.

Answer:

- a) In 2009 the Government, in the context of not proceeding with the sale of ASC, agreed that the Through Life Support Agreement (TLSA) needed to be renegotiated. Shareholder Ministers Tanner and Wong have outlined their expectations of the ASC board in the context of negotiating a new commercial arrangement between the ASC and DMO for the sustainment of the Collins Class Submarine. A Committee of senior officials from Defence and Finance including the Secretary of Defence, the Chief of the Defence Force and the Secretary of Finance and Deregulation, have been briefed during 2011 and 2012 on progress toward the new ISSC.
- b) This contract continues to be the subject of negotiations between the Commonwealth of Australia represented by the Defence Materiel Organisation and ASC and therefore it is not appropriate to disclose details at this time.

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