

The journey to Australian Submarine Sovereignty

Bruce Carter, Chair

Stuart Whiley, MD & CEO

15 November 2018

Introduction to ASC

- Approx 2,200 employees in SA & WA
- 2017/2018 revenue = \$755.5m

Submarines

- Collins Class sustainment
- Submariner Training
- Provider of personnel to SEA1000 Program organisation

Shipbuilding

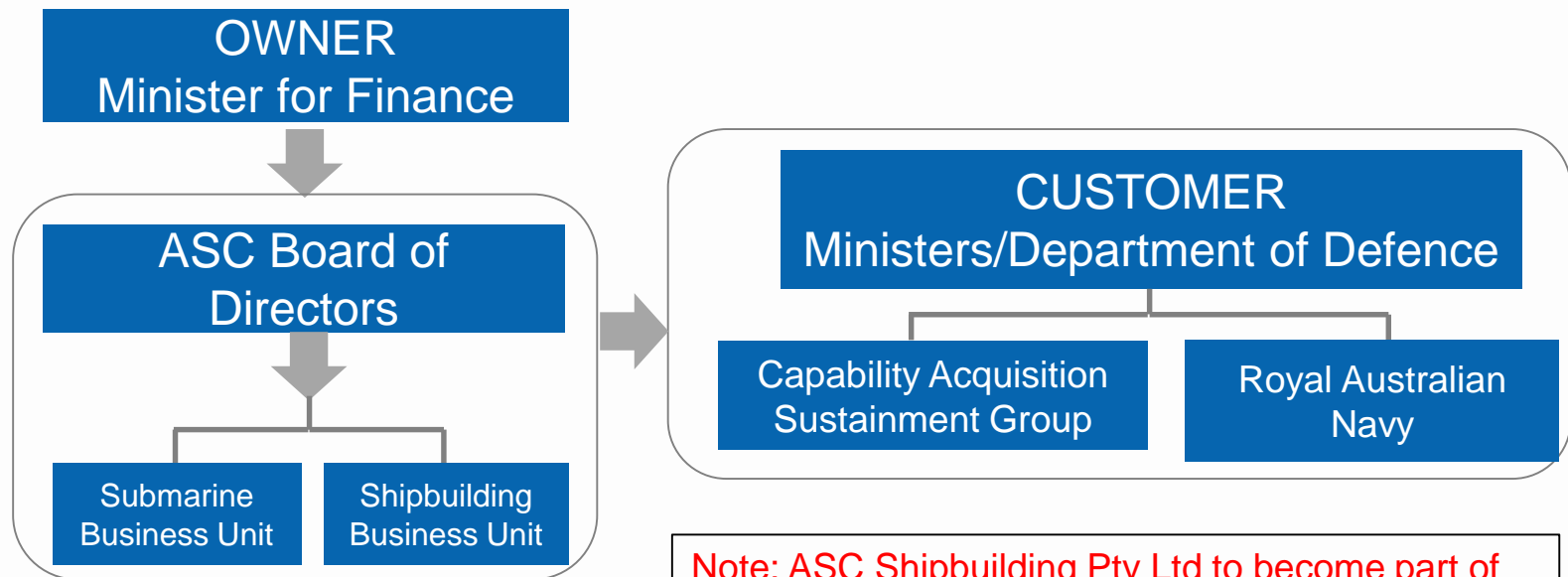
- Air Warfare Destroyer Program
- Offshore Patrol Vessel Program
- Future Frigate Program
(ASC Shipbuilding, after Separation, as subsidiary of BAE Systems)



Ownership and Customer

Bruce

- Wholly owned by Australian-Government
- Government Business Enterprise (GBE)



Note: ASC Shipbuilding Pty Ltd to become part of BAE Systems group for Future Frigate build after Structural Separation of ASC Pty Ltd is complete.

ASC Pty Ltd to retain responsibility for AWD and OPV programs.

Why submarines are important

National security

- Intelligence gathering
- Deterrent

Trade and economy

- As an island nation submarines are important in keeping sea lanes open
- 90% of Australian imports/exports are by sea
- Majority of Australia's fuel supply is imported. Conflict in region may impact our already low reserves (21 days petrol, 16 days diesel, 19 days aviation fuel)



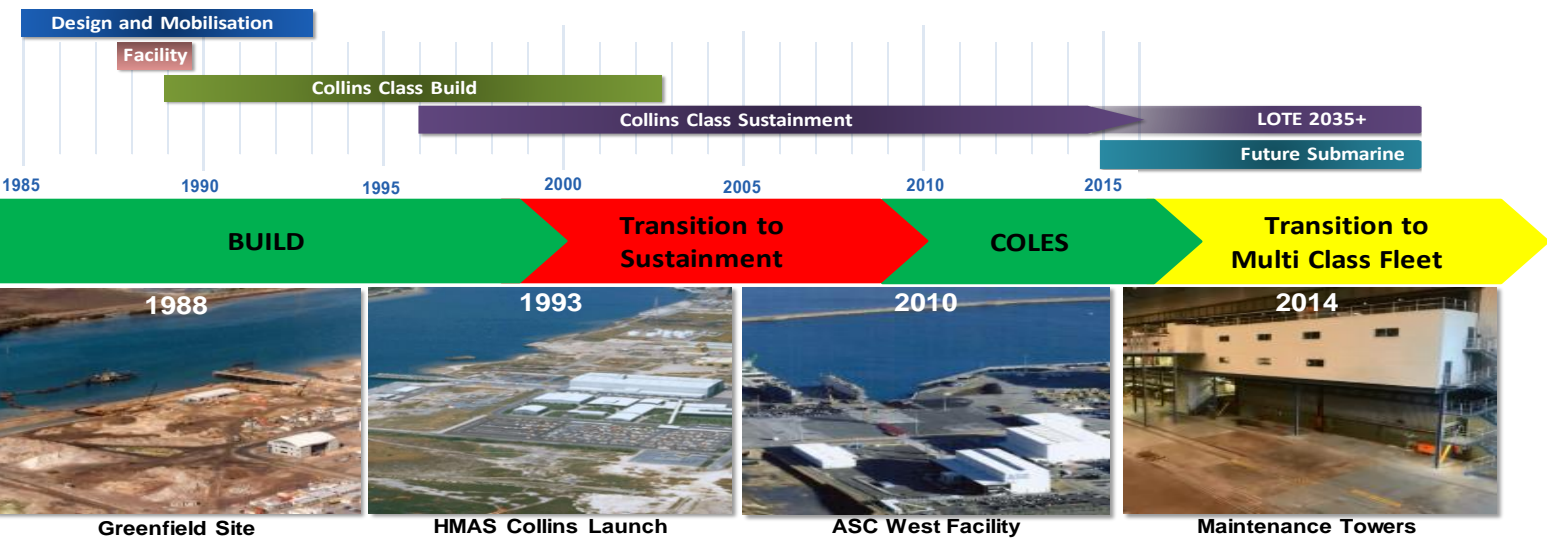
ASC Pride in Submarines Video

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<https://vimeo.com/275555393>

History of supporting Australia's submarine capabilities

Stuart



Ready to Support the Naval Shipbuilding Plan



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ASC's journey

Stuart



Failure leading to success

COLES REVIEW

STUDY INTO THE BUSINESS
OF SUSTAINING AUSTRALIA'S STRATEGIC
COLLINS CLASS SUBMARINE CAPABILITY

November 2012

Report Issued by Mr John Coles

Review Team
John Coles
Paul Greenfield
Arthur Fisher

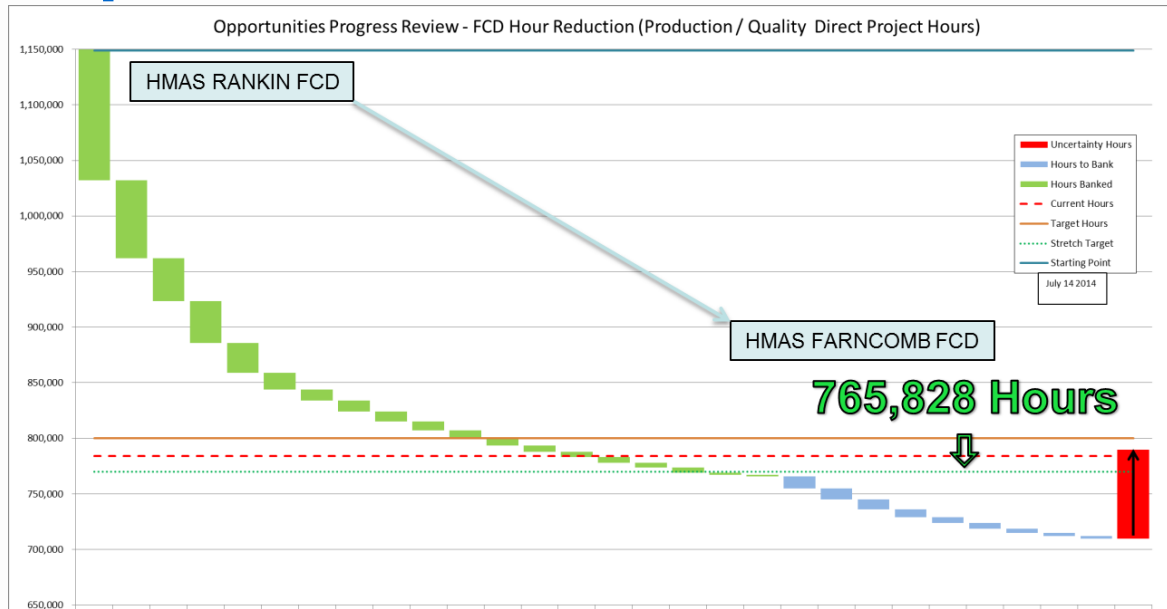


Initial findings

- Lack of clarity around accountability, authority and responsibility
- Submarine Enterprise partners not working effectively
- Contract not performance based
- Maintenance overruns
- Limited availability of parts or spares

Accelerated decision making ASC improvement initiatives

Stuart



Accelerated decision making

Stuart

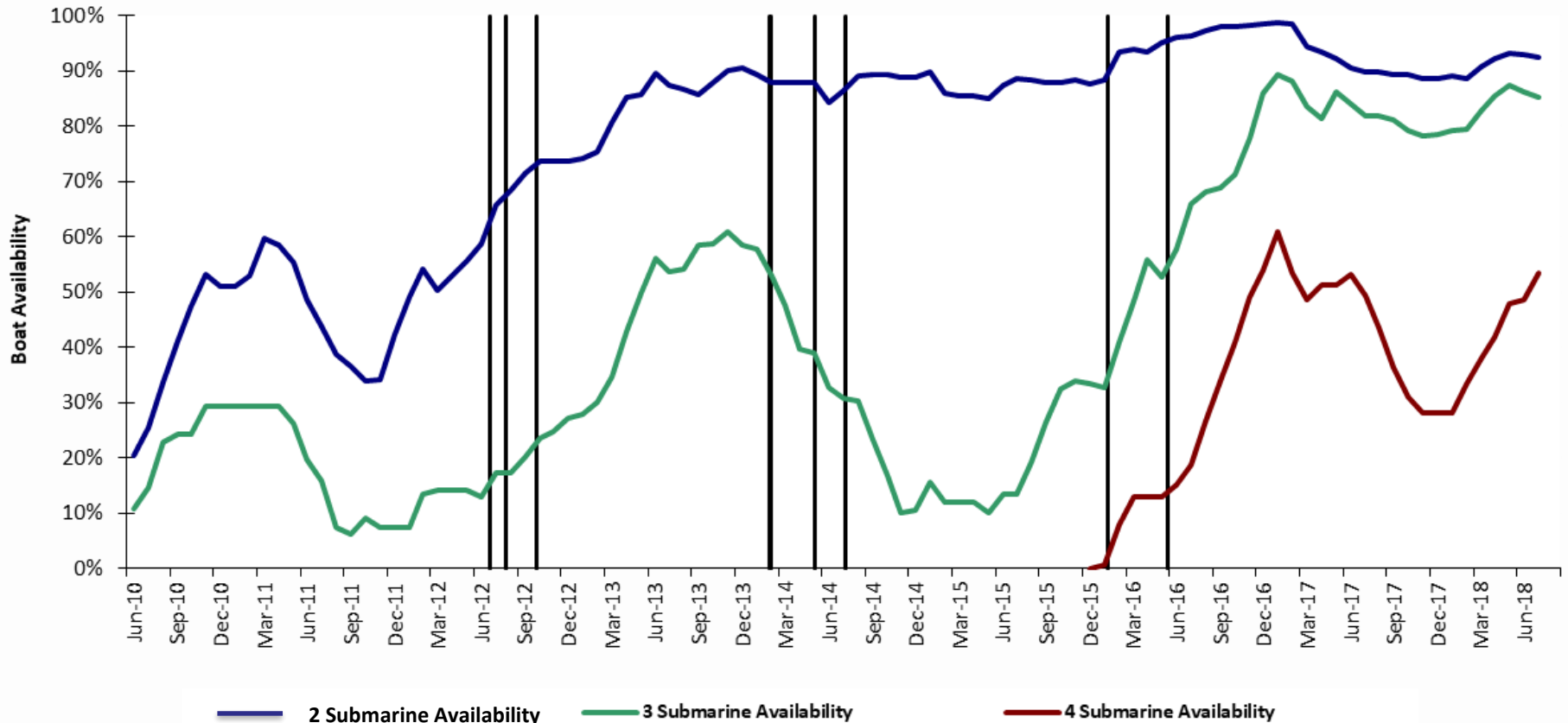
Hull cuts video

<https://vimeo.com/300225967/72e4061bf5>

Accelerated decision making

The result

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Going Global

The Supply Chain

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Australia

- Degaussing Equipment
- Fin & Casing Sections
- FW/SW Heat Exchangers
- Propeller Shafts
- Gas Detection System
- Air Conditioning Units
- Galley Equipment
- Capstans
- Halon Firefighting System
- Anechoic Tiles
- Electrical Switchboards
- Main Storage Battery



UK

- Weapons Launching System
- HP/LP Air Valves
- HP Air Compressors
- Mufflers & Strainers
- Nuclear Radiation Alarm System
- Emergency Propulsion Unit
- Towed Array Handling System
- Communications Mast



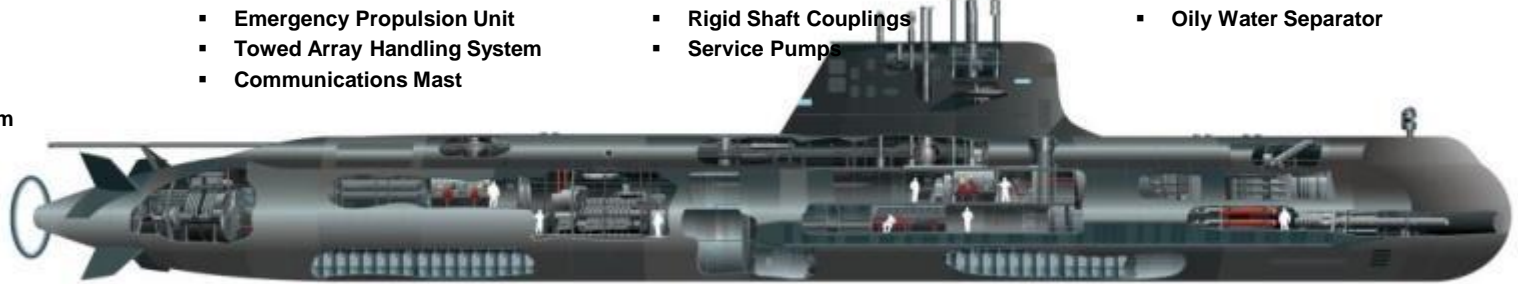
Sweden

- Diesel Engines
- Primary Hull Penetrations
- Electrical Cables
- ISCMMS
- Weight Compensating Pumps
- Rigid Shaft Couplings
- Service Pumps



Germany

- Turbochargers
- HP Air Bottles
- AC & DC Motors
- Laundry Equipment
- Freon Unit
- Oily Water Separator



France

- Main Propulsion System
- Back Up Battery Power Supply
- Sonar Equipment
- Electrical Breaker Maintenance



Italy

- Mast Raising Equipment



Netherlands

- Pressure Proof Lighting
- General Lighting



USA

- Combat System
- Primary Hull Penetrations
- Buoyant Wire Antenna

ASC has a history of managing complex global supply chains and maximising Australian industry content

Going Global

Global Partnerships

Stuart

- This year ASC has signed several collaboration agreements with overseas partners to provide opportunities for our people and provide a foot in the door to the future submarine program



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Conclusion and Discussion

- Sovereign capability 30 years in the making
- Remarkable transformation in performance
- Ready to support future submarine program
- New partnerships pave the way for growth



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