

STATEMENT OF CORPORATE INTENT 2025-2030

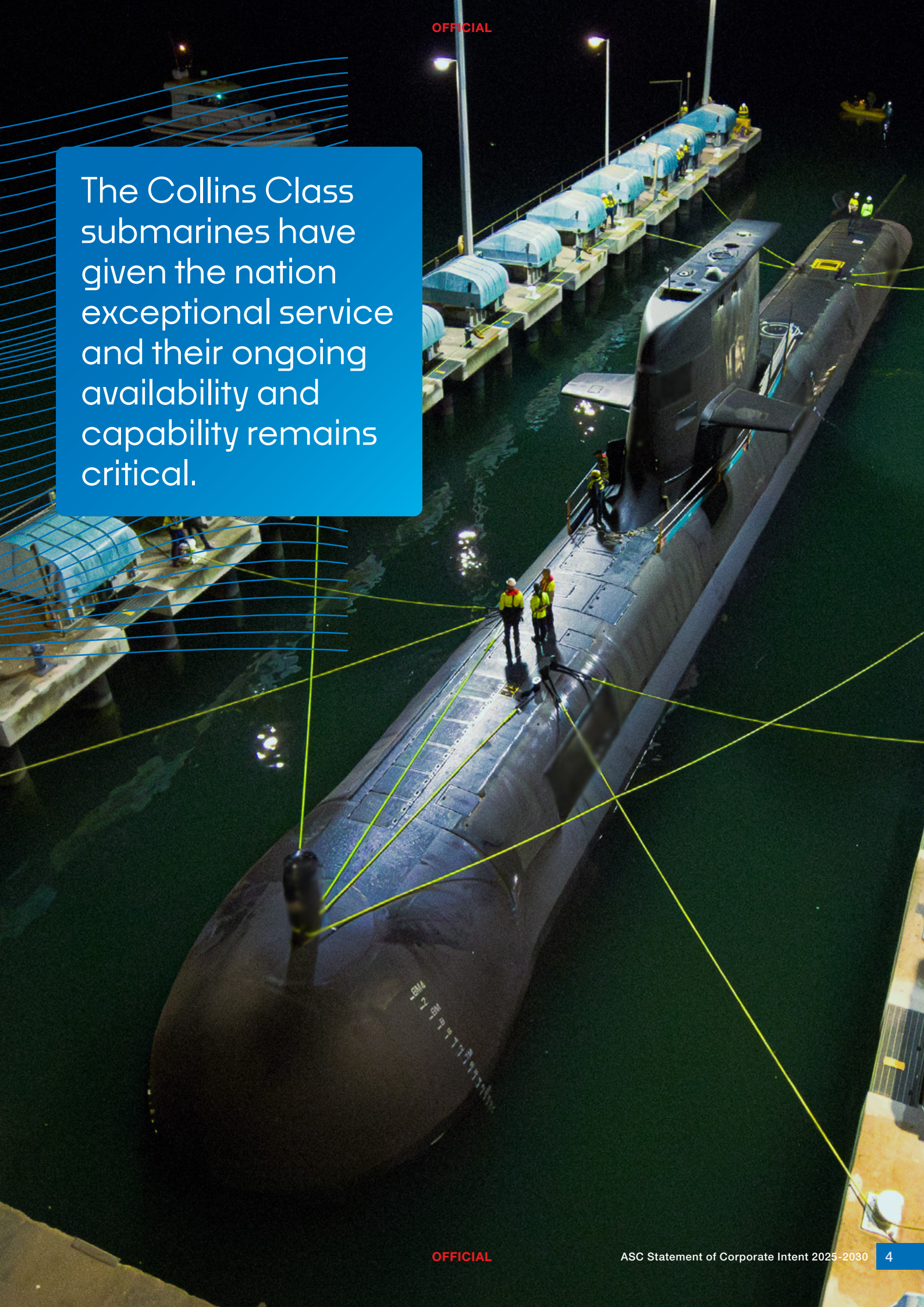


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Glossary

ANI	Australian Naval Infrastructure	ISSC	In-Service Support Contract
APWD	Amended Planned Withdrawal Date	I&A	Integration and Acquisition
AS	Australian Standard	LLC	Limited Liability Company
ASA	Australian Submarine Agency	L&OD	Learning and Organisational Development
ASIB	Australian Submarine Industry Base	LOTE	Life of Type Extension
AUKUS	Australia, United Kingdom, United States (a trilateral security partnership)	MCS	Multi-Class Sustainment
AWD	Air Warfare Destroyer	N/SQEP	Nuclear Suitably Qualified and Experienced Personnel
BASC	Business Assurance and Security Committee	NSSG	Naval Shipbuilding and Sustainment Group
B2B	Business to Business	OJT	On-The-Job Training
CCSM	Collins Class Submarine	PHNSY	Pearl Harbor Naval Shipyard
CN	Chief of Navy	PLC	Public Limited Company
CoA	Commonwealth of Australia	PMT	Project Management Team
DIVQ	Defence Industry Vendor Qualification	PoC	Product of Concern
DLM	Depot-Level Maintenance	PP	Performance Period
DoD	Department of Defence	PRIDE	Protect, Respect, Integrity, Discipline, Excellence
DoF	Department of Finance	P&C	People and Culture
DTP	Digital Transformation Program	RAN	Royal Australian Navy
EB	Electric Boat	RN	Royal Navy
ESG	Environmental, Social and Governance	SA	South Australia
EVP	Employee Value Proposition	SQEP	Suitably Qualified and Experienced Personnel
ExCo	Executive Committee	SRF-West	Submarine Rotational Force – West
FCD	Full-Cycle Docking	SSN	Ship Submersible Nuclear
FoC	First of Class	SSP	Sovereign Submarine Partner
GBE	Government Business Enterprise	SSSP	Sovereign Submarine Sustainment Partner
G2G	Government to Government	STSC	Submarine Training and Systems Centre
HCFP	Hunter Class Frigate Program	TSIB	Trilateral Submarine Industry Base
HII NNS	Huntington Ingalls Industries Newport News Shipbuilding	UK	United Kingdom
HMAS	His Majesty's Australian Ship	US	United States
IJV	Incorporated Joint Venture	USN	United States Navy
IOS	Initial Operating Support	VCS	Virginia Class Submarine
IMT	Integrated Management Team	WA	Western Australia
IPT	Integrated Project Team	WHSE	Work Health, Safety and Environment
ISO	International Organization for Standardization		

A large, dark-colored Collins Class submarine is being moved by several yellow lifting cables. The submarine is positioned vertically in the water, with its conning tower and various deck structures visible. Several crew members in high-visibility yellow gear are standing on the submarine's deck. In the background, a long pier with blue-roofed structures and more crew members is visible. The scene is illuminated by bright spotlights, creating a high-contrast night environment. The water is dark, and the overall atmosphere is one of industrial activity.

The Collins Class submarines have given the nation exceptional service and their ongoing availability and capability remains critical.



Letter from the Chair

Bruce Carter AO

ASC is at the centre of the greatest industrial undertaking in Australia's history.

This Statement of Corporate Intent (SCI) outlines the company's roadmap for delivering its commitments to the Australian people, Commonwealth of Australia (CoA), the Australian Submarine Agency (ASA), Department of Defence (DoD), Royal Australian Navy (RAN) and other key stakeholders for the period 2025-30.

As required by subsection 95 (1) of the *Public Governance, Performance and Accountability Act 2013*, it outlines ASC's purpose, corporate strategy, future opportunities, performance targets and approach to risk management.

At the document's core is the Collins Class submarine (CCSM) fleet. The CCSMs have given the nation exceptional service and their ongoing availability and capability remains critical. ASC's CCSM activities include In-Service Support Contract (ISSC) Performance Period (PP) 5 obligations, the Life of Type Extension (LOTE) project and Product of Concern (PoC) remediation plan. The PoC remediation plan includes several Enterprise initiatives; delivering on these is ASC's highest priority.

Since being selected by the CoA as a Sovereign Submarine Partner (SSP) and Sovereign Submarine Sustainment Partner (SSSP) to support the Optimal Pathway delivery of AUKUS Pillar 1 – Australia's acquisition of an enduring conventionally armed, nuclear-powered submarine (SSN) capability – ASC has set about building its workforce and organisational capability.

ASC is collaborating with fellow SSP BAE Systems plc (BAE Systems) to progress establishment of an incorporated Joint Venture (IJV), which will build Australia's new SSN AUKUS fleet. Key activities include mobilising towards a production demonstrator and supporting the future IJV's nuclear-licence readiness.

SSN Sustainment activities continue to focus on key Submarine Rotational Force – West (SRF-West) and Australian Virginia Class submarine (VCS) sustainment. This includes developing a Support System Plan; progressing contractual matters with Defence; enhancing nuclear-licence readiness; facility design support; supporting the Australian SSN sustainment value stream; and embedding over 150 personnel at the Pearl Harbor Naval Shipyard (PHNSY) for VCS sustainment training.

ASC is also playing a significant role in helping develop Australia's industrial base. Key activities include supporting the ASA's Defence Industry Vendor Qualification (DIVQ) Program and industry uplift programs executed by Honeywell Australia and H&B Defence.

At the heart of ASC is its highly skilled workforce. ASC continues to invest in its people as it seeks to attract Australia's, and the world's, top talent. ASC has taken considerable steps in its transition to a nuclear-capable company and is accelerating efforts to embed a nuclear culture.

The ASC Board and Executive endorse this SCI.

Bruce Carter AO
Chair

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Company Profile

Company Profile

ASC is Australia's sovereign submarine company. Its highly skilled staff offer a depth of submarine sustainment, 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, sustains them and is delivering the CCSM LOTE. It has also been selected by the CoA to sustain and jointly build SSNs in Australia; is supporting the associated capability uplift in Australian industry required to deliver those SSN programs; and plays a leading role in training RAN submariners.

Background and History

ASC is a Government Business Enterprise (GBE), as provided for under section 5(2)(a) of the *Public Governance, Performance and Accountability Rule 2014*, and a proprietary company registered under the *Corporations Act 2001*. It is owned by the CoA, represented by the Department of Finance (DoF).

Established in 1985, ASC was the first Australian company to achieve global standard ISO 55001 certification for the management of complex physical assets. It employs over 2,500 permanent and contracted employees, primarily located in Osborne, SA, and Henderson, WA.

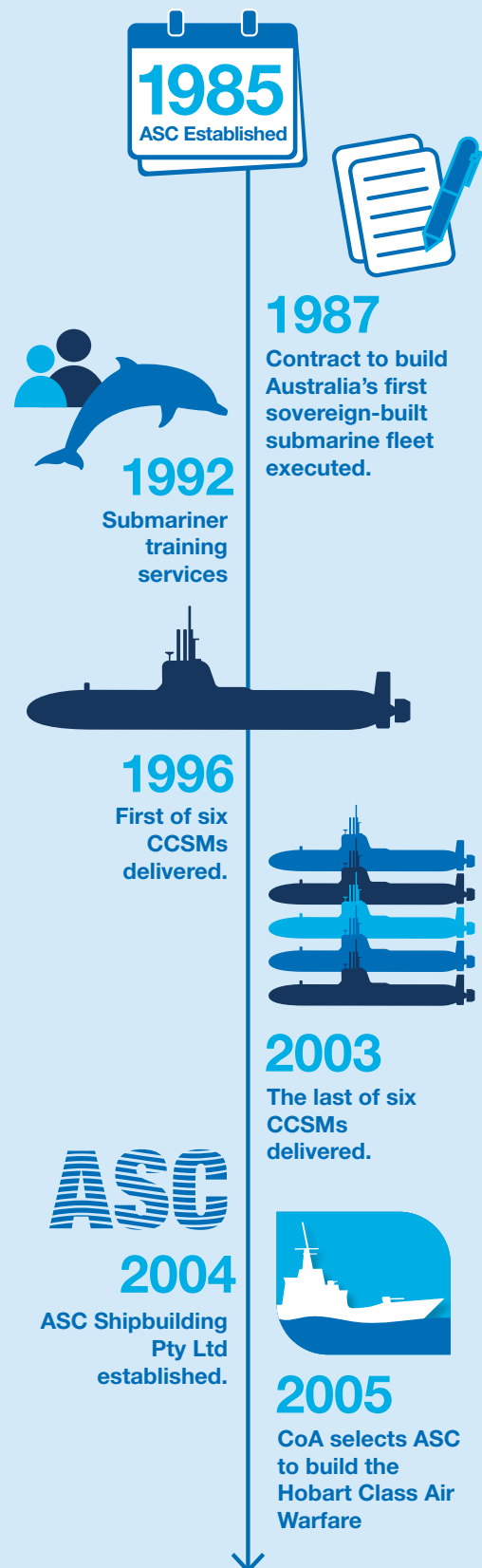
ASC executed a contract on 3 June 1987 to build six conventionally powered CCSMs – Australia's first sovereign-built submarine fleet. The first of the submarines was delivered in 1996 and the last in 2003.

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 contract for the fleet's through-life support, maintenance and design upgrades, and in 2012 the ISSC for the submarines' ongoing sustainment and design enhancements.

In 2004, ASC established ASC Shipbuilding Pty Ltd to facilitate future business.

In 2005, following a competitive tender, the CoA selected ASC as the 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.

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 Ltd acquired ASC Shipbuilding, and that entity now trades as BAE Systems Maritime Australia. ASC is not contracted to the HCFP.

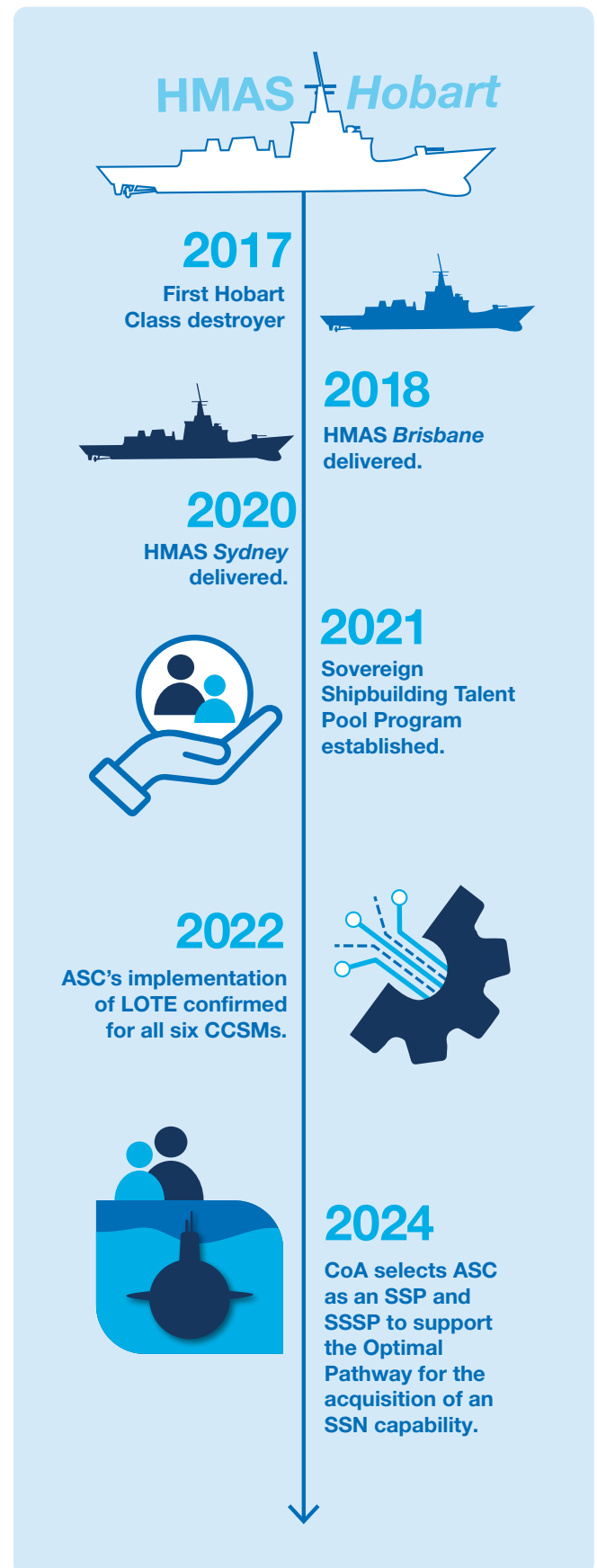
In 2021, following the CoA's decision to cancel the Attack Class Submarine Program in favour of acquiring SSNs through AUKUS, ASC was contracted by the CoA to deliver the Sovereign Shipbuilding Talent Pool (SSTP) Program. The SSTP facilitated the retention and development of Australia's submarine workforce through to contract completion on 14 February 2025, after which its activities were transitioned into ongoing ASC workforce initiatives.

In 2022, ASC's implementation of the LOTE for all six CCSMs was confirmed. The LOTE project will extend each CCSM's operational life and will include the replacement or refurbishment of the submarines' propulsion systems, diesel engines, generators, power conversion and distribution systems, and a cooling system update.

LOTE planning and preparation is underway, and first-of-class (FoC) implementation will commence in mid-2026 on HMAS *Farncomb* during its nominal two-year Full-Cycle Docking (FCD).

In March 2024, the CoA announced that it had selected ASC as an SSP and SSSP to support all three phases of its Optimal Pathway for the acquisition of an SSN capability, marking the beginning of a new era for the company.

In Phase 1, ASC will provide sustainment support for visiting and forward rotating US and UK submarines; in Phase 2, it will sustain Australia's US-built VCSs; and in Phase 3 an IJV formed by ASC and BAE Systems will build Australia's SSN AUKUS submarines. ASC will also sustain the future SSN AUKUS fleet, and the company will play a major role in supporting the significant capability uplift in Australian industry demanded by all these complex and challenging endeavours.





Company Structure

ASC’s company structure is shown in Figure 1.

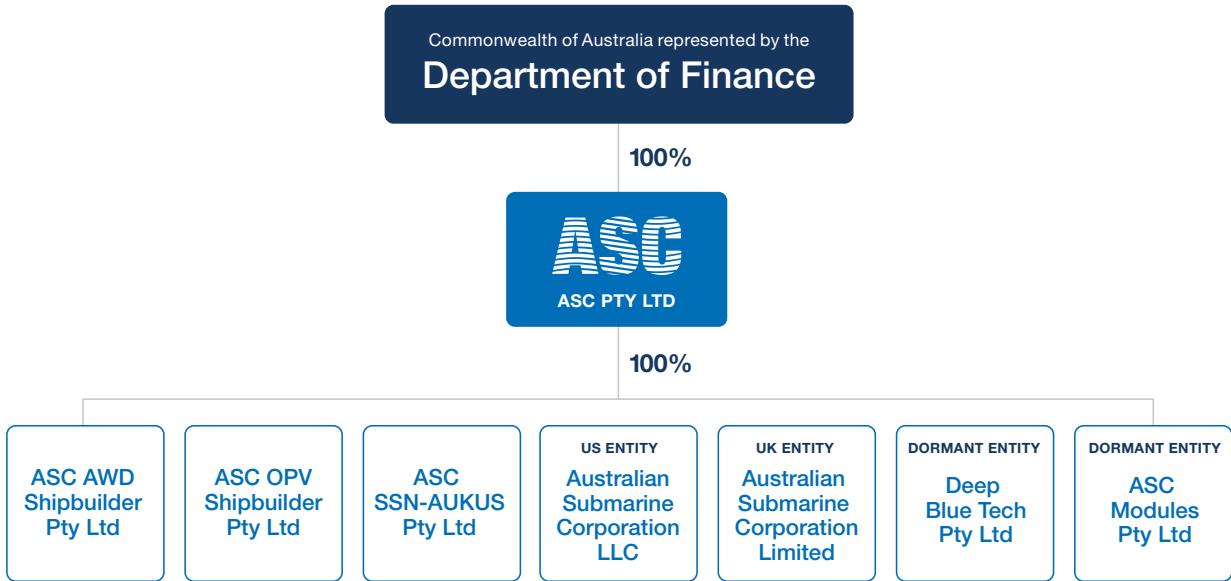


Figure 1: ASC’s company structure.

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Purpose

Purpose

Guiding Statement

ASC is following a 'Guiding Statement' to orient key elements of its purpose, strategy, culture and engagements with key stakeholders:

ASC is Australia's submarine company, Government Industry Partner to the CoA, and the nation's only sovereign submarine capability.

ASC delivers on its contracted, nuclear and regulatory responsibilities as Australia's Sovereign Submarine Partner (SSP). ASC takes a proactive, Enterprise-first approach, particularly in our appointed role to grow capabilities to support both existing and future submarine Enterprises.

Where ASC holds an advantage, be it expertise, resources or operational capacity, we will contribute and deliver ahead of our contractual mandates to benefit the success of the Optimal Pathway, inclusive of Collins, both now and in the future. We do so in situations where we can and where the benefit to the Enterprise exceeds the opportunity risk to ASC, ensuring sustainable and impactful contributions to Australia's submarine capability.

ASC stands as a cornerstone of Australia's National Defence Strategy, committed to delivering excellence, innovation and a nuclear and safety mindset culture across all submarine Enterprises.

The Minister for Finance issued ASC a new constitution following consultation between DoF and ASC in July 2024 to accommodate the substantial changes in the company's remit.

The company's constitution sets out two key objectives that guide its activities:

- Support the CoA's national security objectives through the efficient, safe, reliable and secure delivery of submarine capability and availability through:
 1. complying with any future naval nuclear power safety licence requirements;
 2. sustaining Australia's submarines (conventional and nuclear-powered) and any activities relating to the construction and repair of Australia's submarines;
 3. jointly building Australia's fleet of SSN AUKUS Class submarines with the CoA's selected Sovereign Submarine Build Partner; and
 4. achieving the above while embodying the highest naval nuclear power and submarine safety standards, and by efficiently and effectively developing and maintaining submarine workforce, systems and processes, and managing the company's assets in a manner that supports an integrated and coordinated approach by all stakeholders to deliver sovereign submarine capability.
- 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, as evidenced by our leadership and delivery in the submarine Enterprise.

Mission

Trusted by the CoA as its Sovereign Submarine Partner in submarine design, build and sustainment activities, whilst underpinning an Enterprise capable of delivering the Optimal Pathway.



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

On 13 March 2023, the governments of Australia, the UK and the US (AUKUS) announced the Optimal Pathway as part of a plan to deliver SSN capability for the RAN and strengthen the countries' combined military capabilities. The Australian Submarine Agency (ASA) was established on 1 July 2023 to manage Australia's SSN capability, via the AUKUS partnership.

AUKUS Pillar 1 provides Australia an enduring sovereign SSN capability. This will take the form of an Australian SSN AUKUS build program, in addition to the acquisition and local sustainment of US-built VCSs. SRF-West rotations will provide trilateral support to US and UK SSNs utilising Australian industry parts and assembly. This will complement US and UK supply chains.

To help achieve this, the three nations are developing an expanded Trilateral Submarine Industry Base (TSIB) to supply components to each country's submarine enterprises. Importantly, this will also enable Australian industry to support the US in achieving the required VCS production rate to enable the CoA's acquisition of at least three VCSs in the 2030s.

On 22 March 2024, the CoA announced ASC as one of Australia's SSPs (BAE Systems being the other), with ASC and BAE Systems selected to form an IJV to build Australia's SSN AUKUS submarines. ASC was also selected as Australia's SSSP, tasked with sustaining SSNs in Australia. This will commence with US and UK boats rotating through SRF-West (from 2027), followed by Australia's sovereign VCSs and SSN AUKUS fleet.

The AUKUS announcement was underpinned by the need to ensure the CCSM fleet's continued operational effectiveness, to allow Australia to maintain a viable naval deterrent until its SSNs arrive.

The CCSM LOTE program is critical to this transition.

ASC's central role in both Australia's SSN and CCSM programs makes it the only industry organisation involved in the full scope of Australian submarine activity.

In March 2025, the ASA released its AUKUS Submarine Industry Strategy. The plan highlighted the significant role the SSPs will have in building capability within the Australian Submarine Industry Base (ASIB) and TSIB to realise the Optimal Pathway. This industry uplift will not only support ASC core delivery programs (sustainment and build) but also provide Australia with additional critical defence and economic sovereignty.

Enterprise

Whole-of-program strategy

ASC acknowledges that it's supporting the delivery of the largest industrial undertaking in Australia's history. To achieve this, ASC has recognised it has one primary and two secondary Defence strategic objectives. These are:

Primary

- Optimise sovereign submarine availability to the RAN.

Secondary

- Support ASIB and TSIB uplift.
- Broadly support maximisation of Australian sovereignty.

This requires ASC to take a 'whole of program' view – as it's uniquely placed to do – when considering its strategy for maximising submarine availability while executing the Optimal Pathway. Doing so will ensure interdependencies between delivery programs and capabilities are understood, capabilities are leveraged across all platforms, program redundancy can be managed through meaningful work creation, and resources can be prioritised across CCSM and SSN platforms.

The submarine enterprise required to support the Optimal Pathway has had to rapidly evolve, with ASC, the Naval Shipbuilding and Sustainment Group (NSSG) and the ASA required to take on new and expanded roles. To respond, as well as scaling up in Australia, ASC has established entities in the UK and US which will continue to evolve to support ASC's agreed strategic objectives.

Internal

Since the 22 March 2024 announcement that ASC will be one of Australia's SSPs, the company has made significant progress on multiple fronts, but not without challenges.

Collins Class Submarine Program

In December 2024, following a recommendation from Defence, CCSM sustainment was listed as a PoC to enable enhanced ministerial oversight of this critical capability.

In response to the PoC listing, the company has developed a remediation plan in consultation with Defence and established joint weekly reporting between ASC and the NSSG. ASC is working through remediation plan actions as a matter of priority, and has now attended two PoC Summits, on 12 February and 30 July 2025.

SSN Sustainment

ASC's SSN Sustainment Program is progressing, with the SSN Support System Plan in the latter stages of development. The plan is being created collaboratively within the SSN Submarine Enterprise and informs the SSN Sustainment Program's future scope.

Strong trilateral working relationships have been built. US VCS visits have already commenced, with USS Minnesota making a port visit to HMAS *Stirling* in February 2025, and ASC welcomes this important milestone as the starting point for the larger SSN Sustainment Program.

Operating Model

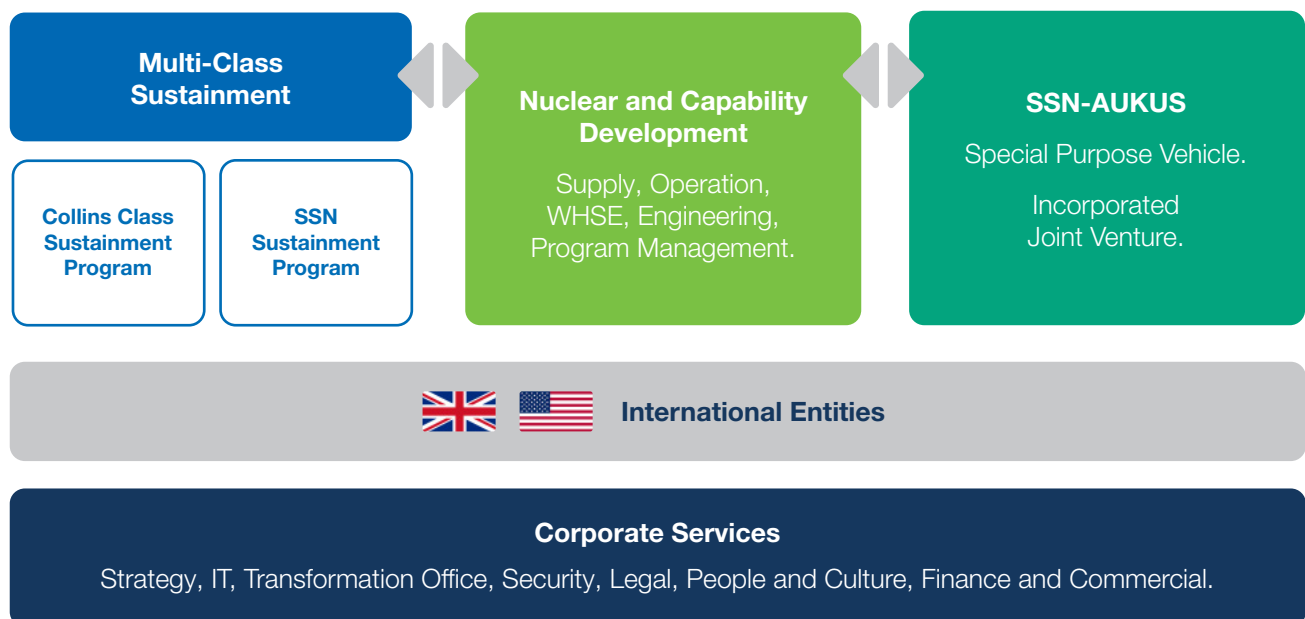


Figure 2: ASC's operating model.

SSN AUKUS IJV

The SSN AUKUS Build Program is a collaborative initiative combining UK submarine design and construction expertise with advanced US technology insertions. The FoC SSN AUKUS will be built by BAE Systems at Barrow-in-Furness for the UK Royal Navy (RN), with delivery expected in the late 2030s.

Lessons learned and technologies developed during the UK build will be transferred to the Australian context through the IJV that's being established by ASC and BAE Systems to build the RAN's SSN AUKUS fleet. Through this partnership, the IJV will leverage shared expertise in a coordinated approach to sovereign capability development.

In the meantime, Build Program personnel from both companies are working as a team to ensure all preparations are in place for the IJV's future operations, focusing on establishing the necessary infrastructure, workforce and industrial capability.

Capability programs and enablers

ASC is adopting a 'growth-sized' mindset for capabilities. The company is evolving its operations by scaling up three former 'enabler' functions into full capability programs. These programs are:

1. Workforce Capability
2. Integrated Supply Chain
3. Nuclear Capability

In addition, ASC will continue to evolve its enabling and corporate functions, including enhancing critical business systems, such as Enterprise Resource Planning (ERP) systems, physical and cybersecurity networks, quality, assurance and continuous improvement programs. Facility and infrastructure planning enabling functions will establish long-cast working arrangements with external parties on suitable infrastructure design and management.

Due to external volatility, ASC will build capabilities and enablers with an agile operating model that enables adjustment as circumstances dictate.



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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 ISSC, including PoC remediation work;
- 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;
- supporting the development and maturity of the ASIB and TSIB, Australia's submarine workforce, and Australia's submarine nuclear preparedness and readiness; and
- providing submarine-platform-systems training to RAN submariners at the STSC.

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

- Osborne Naval Shipyard, SA, where the CCSMs were originally built, undergo deep maintenance (FCDs) and will undergo their LOTE, and where Australia's SSN AUKUS fleet will be built;
- Australian Marine Complex (AMC), Henderson, WA, where CCSM in-service docked 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

Meeting contractual standards of quality and availability by strengthening ASC's culture of learning, resilience and agility.

Transformation

To be an enduring and institutionalised capability, recognising that ASC will need to develop agility to adapt to changes in the external environment.

Capability Leadership

Generate, develop and retain capabilities and enablers within ASC and the ASIB to support current and future programs.

Enterprise Leadership

Demonstrate leadership to build alignment across the Enterprise 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 the social licence to operate as the company transitions to an SSN enterprise.

5

Operational Excellence

Operational Excellence

The Operational Excellence pillar is focused on delivering safe, available and capable conventional and future nuclear-powered submarines to the RAN, and supporting its CCSM and AUKUS partners' operational submarines. It is also focused on continuously improving ASC's culture of learning, resilience and agility.

These outcomes are primarily delivered through ASC's established and emerging submarine programs, including:

- CCSM Sustainment;
- CCSM LOTE;
- SSN Sustainment;
- Submariner Training;
- SSN AUKUS Build; and
- ASIB and TSIB development support.

Further to the above, ASC is committed to supporting Operational Excellence as it delivers on its Nuclear and Capability Development program, with a focus on four critical areas:

1. Leadership capabilities and business culture

ASC will actively champion efficiency and continuous improvement.

2. Process discipline

Standardisation and optimisation of existing workflows.

3. Investment in the workforce

Uplift current skill sets and ensure ASC is developing the necessary suitably qualified and experienced personnel (SQEP) in advance of future business requirements.

4. Innovation and technology

ASC will take advantage of advanced manufacturing methods, automation and tools to enhance decision-making and unlock workforce efficiencies.

Collins Class Sustainment

Ensuring the CCSM fleet's ongoing availability and capability as Australia transitions to an SSN fleet is imperative to Australia's maritime defences, and fundamental to supporting the nation's ongoing work with key allies and regional partners fostering Indo-Pacific security and stability.

To achieve this goal, in addition to delivering on the Collins Enterprise PoC Remediation Plan, ASC will continue to support the RAN and 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 years to come.

Through the LOTE program, ASC will:

- address major risks to CCSM availability that have been identified to potentially occur during the submarines' extension periods; and
- install significant updates being developed by ASC to meet CoA requirements.

FoC LOTE implementation will commence on HMAS *Farncomb* during its scheduled FCD in mid-2026. LOTE design and procurement work continues to advance and is on track. Among key achievements:

- LOTE platform integration design has completed its system design phase and is currently in detailed design;
- design reviews have been successfully completed with all key suppliers; and
- all FoC systems are now contracted and in production.



Nuclear-Powered Submarine Sustainment

Following the CoA's 22 March 2024 announcement that it had selected ASC as its SSSP, the company was required to immediately begin delivering several SSN-sustainment-related tasks.

Significant progress has since been made, including:

- growing the WA workforce;
- upskilling the workforce through VCS sustainment training deployments to PHNSY;
- establishing an SSN Sustainment program team;
- creating draft workforce development and SSN Support System plans;
- providing sustainment support to visiting SSNs;
- providing support to the TSIB; and
- supporting the development of SSN sustainment facilities.

In the 2025-30 planning period, ASC will continue working to meet its obligations to the CoA as it prepares for SRF-West, sovereign VCS and SSN AUKUS sustainment, by:

- building, training and retaining a Nuclear/Suitably Qualified and Experienced Personnel (N/SQEP) workforce;
- becoming nuclear-ready to gain the domestic and international licences and certifications required to safely maintain, repair and modernise SSNs;
- building the supply chain to support AUKUS partners and ensure the success of Australia's SSN programs;
- planning facilities and infrastructure to ensure Australia has the physical assets necessary to support its SSN Sustainment Program; and
- scaling the processes, systems and technologies required to effectively govern, operate and secure Australia's SSN Sustainment Program.

Preparing for SSN AUKUS sustainment

While current efforts are rightly focused on achieving CCSM availability targets and preparing for VCS sustainment under the SRF-West initiative, thought must simultaneously be given to Australia's future SSN AUKUS Class submarines. Facilities being built today will be required to support trilateral submarine requirements into the 2040s and beyond.

With this in mind, all ASC's SSN sustainment planning – particularly near-term WA infrastructure development – is guided by a 'design with the end in mind' philosophy.

As has been widely acknowledged, workforce development will be crucial. ASC will maintain and build its current workforce skills throughout the VCS program, ensuring that training programs and long-term workforce initiatives capture needs out to SSN AUKUS sustainment in the 2040s.

This will ensure Australia has the sovereign capability to sustain all its submarine classes efficiently, securely and independently for decades to come.

US Entity

To deliver Australia's VCS sustainment program, ASC must establish unprecedented levels of cross-border programmatic and technical integration and data transfer with US counterparts.

Consequently, ASC established Australian Submarine Corporation LLC (the US Entity) in the US on 18 April 2024 to:

- support the placement of ASC personnel within US industry organisations, education providers or other third parties (including visa sponsorship);
- facilitate ASC personnel's secondments in the US for critical VCS sustainment training and knowledge transfer;
- support Australian Government policies in relation to the Australian naval surface shipbuilding and repair industry and the submarine construction and repair industry; and
- undertake any other tasks necessary to support these activities.

The US Entity will continue providing Australia's SRF-West and VCS Sustainment programs with valuable access to the complex US SSN ecosystem during the 2025-30 planning period.

Submariner Training

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

The company has an excellent performance record as a training provider, and – as the CCSM builder and sustainer – is in a unique position to share its technical expertise and learnings through submarine crew training. ASC employs 44 staff at the STSC, including instructors, training developers, learning technology specialists and administrative support. Most of its instructors are veteran submariners.

The ASC 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.

Key Objectives

ASC's primary aims for STSC operations during the 2025-30 planning period are to:

- deliver exceptional service and value to the CoA to support the growth of a skilled and capable submarine workforce;
- remain the RAN's preferred provider of submarine training services for the CCSM fleet out to the boats' amended planned withdrawal dates (following their LOTE); and
- if requested, support the CoA with emergent crew training needs for future RAN SSN platforms.

SSN AUKUS Build

The IJV formed by ASC and BAE Systems will be the substantive and enduring Australian entity responsible for the delivery of Australia's SSN AUKUS submarines.

BAE Systems and ASC are currently developing the pathway to the IJV to enable the parties to plan and action its establishment. Once in place, the IJV will progressively develop standalone capability and be substantively self-sufficient in line with program needs.

In the meantime, ASC and BAE Systems will continue collaborating to support the necessary workforce and capability build-up.

Work on Australia's first SSN AUKUS is scheduled to get underway at the Osborne Naval Shipyard, SA, before the end of this decade, with delivery to the RAN from the early 2040s.

UK Entity

ASC incorporated Australian Submarine Corporation Limited (the UK Entity) in the UK on 22 April 2024 to support ASC's involvement in the SSN AUKUS Build Program.

Its primary purpose is to facilitate personnel placements within UK industry organisations (providing an efficient, viable visa pathway) to support the development of N/ SQEP for Australia's sovereign industrial workforce.

Maintaining a minimal presence and led by an in-country Chief Operating Officer – UK, the entity also:

- fulfills ASC's duty of care to those seconded personnel (embeds);
- establishes and maintains relationships with key regional AUKUS participants and suppliers to enhance collaboration; and
- provides specialist, locally informed advice to ASC in relation to the UK submarine enterprise to minimise AUKUS program risk.

ASC's first cohort of embeds into the UK arrived in March 2025; more will follow later in 2025 and 2026.

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Capability Leadership

Capability Leadership

ASC's Capability Leadership pillar is structured to generate, develop and retain capability within the ASIB to support current and future submarine programs.

ASC has identified three key capability uplifts as necessary to deliver on the Optimal Pathway and ASIB/TSIB objectives. These are:

- workforce capability;
- supply chain capability; and
- nuclear capability.

Workforce Capability

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

In pursuit of this outcome, ASC is guided by and committed to the following priorities that drive a comprehensive end-to-end employee lifecycle:

1. Be an employer of choice

- Establish strong and proactive partnerships with the local community, Defence, educational institutions and industry organisations to build strong pathways into ASC.
- Transform the approach to recruitment and onboarding to create an engaging and attractive employee experience.
- Identify and create targeted retention actions to improve employee satisfaction and support existing and new workforce.
- Deliver an attractive employee value proposition (EVP), including employee engagement activities and internal communications, to encourage a positive workplace culture and meaningful career opportunities.
- Establish entry pathways for talent by fostering a mentoring workplace development culture, offering competitive compensation and benefits, and supporting development programs.
- Increase ASC's brand awareness nationally and promote its early-careers pathways.

2. Grow workforce skills and capabilities

- Deliver a cultural transformation program, including nuclear mindset and associated behavioural activities, building capability in a managed way to ensure programmatic outcomes can be met.
- Align ASC's competency framework and international placements strategy with the CoA, and AUKUS and industry partners.
- Develop a suite of learning courses to upskill the close-fit workforce aligned to the recruitment 'hire to develop' mindset.
- Establish modularised learning to enable flexibility and personalisation for faster speed to competence through the onboarding journey.
- Create career tracks and learning pathways to improve talent mobility and keep the workforce engaged.
- Deliver diversity and inclusion strategy to mature ways of working and thinking.

3. Build the sovereign workforce

- Deliver a successful international placement experience for ASC personnel seconded to the US or UK, creating and strengthening Australia's sovereign skills and capabilities.
- Align ASC trainers' training with AUKUS partners to enable collaboration and establish effective sovereign knowledge attainment, transfer and retention within required timeframes.
- Deliver ASC workforce plan to achieve required workforce growth across all programs.
- Support CCSM Program and LOTE delivery while balancing the need to grow the workforce for SSN Sustainment and Build programs.
- Enhance recruitment processes and activities to reduce the time to fill.

4. Be ready to scale and adapt

- Inform and liaise on the requirement of fit-for-purpose facilities required to house a larger workforce, and deliver the learning activities required to upskill it.
- Invest in the optimisation and modernisation of technology and infrastructure.
- Embed and evolve the capability-led operating model and identify additional changes required to accommodate a significantly larger workforce.
- Embed change management across all workforce initiatives to manage the behavioural change required to support the new operating model and necessary ways of working.

ASC Workforce Strategy Overview

ASC's Workforce Strategy is comprised of three core pillars of activity necessary to attract, develop, retain and scale ASC's future workforce (see Figure 3 below):

- 1. Workforce Growth Initiatives** include a range of recruitment strategies that will grow ASC's overall employee numbers, with the net overall impact of increasing the size and output of ASC's workforce.
- 2. Workforce Development Initiatives** include a range of interventions and educational activities that will enhance ASC personnel's skills and competencies, delivering job-ready SQEP in line with demand.
- 3. Workforce Enablement Initiatives** include a range of supporting strategies, systems, processes and requirements that are critical to ensuring ASC develops the necessary workplace culture and learning environment for its workforce strategy to be effective.

Workforce Strategy Core Pillars



Figure 3: ASC Workforce Strategy core pillars.

Workforce Growth: SSN Sustainment

ASC has undertaken significant workforce development activities for the SSN Sustainment Program over the past 12 months. In November 2024, the company submitted its first workforce plan outlining the activities and initiatives needed to sufficiently grow and develop the program's workforce.

ASC continues to work closely with the ASA, NSSG and AUKUS partners to align on the resource demand to meet international deployment requirements. At 30 April 2025, over 150 personnel were undertaking VCS sustainment training in the PHNSY.

In support of SSN sustainment, ASC has:

- established the workforce initiatives and mitigations required to build a workforce to support VCS sustainment;
- established a dedicated SSN sustainment People and Culture (P&C) mobilisation team;
- worked with the NSSG, ASA and the US to determine short- and medium-term resource profiles, including on-the-job training (OJT) and overseas deployment workforces;
- conducted a long-term workforce supply analysis process (including workforce gap and supply interventions);
- established a mature pastoral care program to support in-country assignees in the US; and
- supported over 150 assignees into the US at the PHNSY for two-to-three-year training programs.

Projected workforce make-up

While the alignment of demand profiles that support Intermediate-Level Maintenance and Depot-Level Maintenance (DLM) work requirements is ongoing, early demand for SSN sustainment is predominantly for placements to Pearl Harbor.

To manage this process, ASC will work with the ASA and NSSG to establish a structured OJT program through inbound and outbound assignments, in conjunction with the US. This program will enable knowledge transfer aligned to critical capability areas across the SSN Sustainment Program and upskill personnel in platform-specific SSN expertise.

Outbound assignments will see various cohorts of Australian personnel deployed overseas to obtain knowledge, and inbound assignments will be undertaken through the initial seeding of international capability from AUKUS partners to Australia.

ASC has compiled an initial SSN Sustainment Train-in-Australia Plan, outlining the currently identified activities required to meet Optimal Pathway milestones. The intent of this plan is to detail how ASC can repatriate training back to Australia and reduce the volume of assignees needed to be trained in the US, using existing ASC capability. It also details the plans to manage returning assignees' ongoing training and competency.



Workforce Growth: SSN AUKUS Build

ASC's SSN AUKUS Build workforce activities in the first year of mobilisation have been focused on building a strong relationship with its build partner, BAE Systems, and establishing initial program leadership.

The parties have built several Integrated Project Teams (IPTs), including subject matter experts from both companies. The IPTs are focused on preparing for the first project outputs, including production demonstration and prototyping activities, and developing the strategies and plans required for the life of the program.

In support of SSN AUKUS, ASC has:

- continued to build its workforce under the SSN AUKUS Build leadership team (with streams including program management, build readiness, capability development, commercial, and business establishment);
- established an interim team across all other early-required skill sets (including engineering, operations, program management, supply chain, nuclear, quality and corporate functions);
- established a Workforce IPT with BAE Systems to achieve key outcomes, including developing a:
 - + high-performing partnership via a 'One Team' cultural integration project;
 - + workforce development plan for 2026-30; and
 - + social licence strategy for the program;

- continued to develop its recruitment strategy for future years (including for mobilisation of international deployments); and
- deployed the first cohort of international placements to the UK (for training and experience in SSN construction with BAE Systems) and initiated planning for future cohorts.

Over the course of the 2025-30 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, attraction and development of SQEP, with both core foundational and specialist shipbuilding skills.

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

Workforce initiatives are being developed with a focus on increasing workforce supply. Key initiatives for the Build Program include traineeships, trade apprenticeships, degree apprenticeships, school-based programs, graduate program, qualification bridging, and cross-skilling programs from 2026 to 2030. Their delivery will be supported by the Skills and Training Academy being constructed in the Osborne Precinct once it becomes operational in 2028.



Learning and Organisational Development

ASC's Learning and Organisational Development (L&OD) teams have developed a 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.

The strategy reflects the company's requirement to:

- rapidly build ASC's technical capability and capacity;
- support new personnel entering the business to increase speed to competency;
- commence nuclear awareness and capability development;
- develop and progress key talent; and
- improve individuals' leadership capabilities and effectiveness.

The strategy also includes several mitigations identified through the annual workforce planning process to address future workforce demands and risks, such as planning for retirements.

Key focus areas for 2025-30 are:

Organisational development

- Embed and enhance ASC's suite of senior leadership development programs to further strengthen leaders' ability to retain, engage, develop and coach employees, conduct career conversations and support team development planning.
- Develop high-potential employees and successors identified for senior leadership roles through continued implementation of the ASC Emerging Leaders and Transformational Leadership programs.
- Continue to support new ASC leaders through the Leading at ASC and Crucial Conversations programs, and providing leadership coaching.
- Expand mentoring into corporate business functions and graduate cohorts to increase support and guidance for early-career professionals and other key cohorts (e.g. women).
- Implement programs that continue to improve ASC's workplace diversity and inclusivity, with a focus on increasing the number of women in leadership and professional roles, as well as early-careers cohorts.

Technical learning

- Continue to develop technical competencies, including nuclear competencies, and embed them into the overarching ASC capability framework.
- Develop engaging programs to support new employees' onboarding and accelerate their path to being effective in their roles, building an understanding of the ASC environment, the specific programs and platforms and the nuclear operating environment and culture.
- Continue to develop and embed an ASC knowledge-transfer strategy, with a focus on 'critical submarine systems' knowledge.
- Lead the creation of technical career pathways that support ASC's capability development to meet CCSM and SSN program requirements.
- Continue to second personnel into overseas AUKUS partners for a variety of job functions.

Early careers

- Continue to build relationships within the education sector to enhance awareness of ASC as an employer and promote career opportunities within the industry.
- Build the company's talent pipeline by continuing to expand existing undergraduate and graduate programs into key capabilities and business support areas.
- Develop and implement traineeships company-wide that broaden opportunities to commence a career at ASC, including participation in the CoA's Defence Industry Pathways Program.
- Build programs that develop a range of critical skills and capabilities essential for ASC's future, including:
 - + a suite of bridging programs to increase speed to competency for new recruits from adjacent industries;
 - + interdisciplinary cross-skilling programs;
 - + degree-based apprenticeships (e.g. in Software Engineering, co-run with the University of South Australia and introduced in February 2024, and Mechanical Engineering, co-run with Flinders University and introduced in March 2025);
 - + technical college partnerships with the Department for Education (SA), specifically Tonsley and The Heights technical colleges (enrolments opening in 2025 and tuition beginning in 2026), to develop a bespoke training program; and
 - + pre-apprenticeship preparation for minority groups.

Nuclear Preparedness

As the CoA's SSSP and one of its SSPs, ASC must assure the AUKUS Submarine Enterprise's safety and security. This obligation includes the attainment and preservation of the social licence to operate, underpinned by community engagement and the pursuit of technical excellence.

The company is building considerable nuclear experience and expertise. Personnel in direct nuclear roles now bring over 450 years' collective experience working on nuclear programs, while staff in other roles add another 500-plus years.

Nuclear skills development is being tracked, with plans made to ensure personnel's nuclear skills and expertise are utilised in meaningful work. ASC will keep expanding this capability by continuing to upskill its existing workforce and recruiting N/SQEP.

ASC is continuing to implement actions from its internal 2024 nuclear culture study and is working to align its culture with the ASA's nuclear mindset principles. The company is also working to evolve its existing PRIDE (Protect, Respect, Integrity, Discipline, Excellence) values and behavioral framework to align with the requirements for successful operation in a nuclear environment.

Complementing this work, toward the end of 2025 a training program will be developed to commence the formal nuclear education of the entire workforce, building on an informal nuclear awareness program already conducted. This will cover topics such as nuclear governance and due diligence, independent assurance/challenge, nuclear advice, and human resources.

ASC is using its current nuclear capability to support the SSN AUKUS Build Program, and the build and operation of planned upgrades to the HMAS *Stirling* Controlled Industrial Facility to support SSN sustainment.

Together, these activities strengthen ASC's role in the Australian Submarine Enterprise as a trusted and credible nuclear organisation, and prepare the future SSN AUKUS Build IJV to obtain and sustain appropriate nuclear stewardship.



Integrated Supply Chain Capability

In March 2025, the ASA released its AUKUS Submarine Industry Strategy. The strategy reiterated ASC's role as an SSP with a primary role in the TSIB and ASIB to 'coordinate and contract with suppliers, directly developing, growing, shaping and maintaining the health of their respective program supply chains.' The ASA strategy outlined SSPs' responsibility to:

- translate the CoA's strategic priorities into clear demand forecasts and industry requirements for each Australian submarine program;
- develop and manage their supply chains, and monitor and maintain their health over time;
- coordinate and contract with Australian suppliers seeking to supply into AUKUS submarine programs, working closely with UK and US Primes; and
- develop Australian industry capability plans detailing how the CoA's strategic priorities for the ASIB will be satisfied.

To meet ASC's and wider Enterprise requirements in uplifting the ASIB and TSIB, the company has lifted its central supply function into a Supply Chain Capability Program. This program will steward delivery of ASC's Supply Chain Strategy.

Key Supply Chain Strategy Objectives

1. Understand supply chain demand for VCS, Multi-Class Sustainment (MCS) and SSN AUKUS Build

ASC has worked with the ASA and the wider ASIB and TSIB to determine long-term demand requirements across all programs.

Initial USN demand through the ASA has been focused on supporting the VCS supply chain. This has been done through ASA's DIVQ program, launched in January 2024, which streamlines and accelerates the qualification of Australian companies to provide components and services into trilateral supply chains.

The DIVQ program is targeting qualification across six 'waves' of product families, using a Government-to-Government (G2G) model for waves one and two (concluding soon), and a Business-to-Business (B2B) model from wave three onwards. These product families are:

4. Pipe and fittings small valves.
5. Anti-vibration mounts.
6. Machines parts, connectors, cable assemblies and medium valves.
7. Formed fittings, mechanical assemblies and castings.
8. Mounts and forgings.
9. Electromechanical, structural fabrication and manifolds.

ASC and the US shipbuilders (VCS builders Electric Boat (EB) and Huntington Ingalls Industries Newport News Shipbuilding (HII NNS)) are in the process of taking over DIVQ leadership for wave three, and will execute it through an in-country qualification team consisting of ASC and US shipbuilders personnel. Requests for quotations were sent out in March 2025 and selection is underway.

2. Qualify Australian suppliers to support VCS, MCS and SSN AUKUS Build

As the DIVQ program moves to a B2B model, the US shipbuilders will relocate a team of engineers and supply chain professionals to Australia to support the qualification process. ASC will embed supplier quality engineers and supply chain professionals into the program to ensure knowledge transfer and build enduring capability.

Various other complementary supporting initiatives are progressing in the ASIB, such as a pilot program, led by Honeywell Australia, to uplift selected Australian suppliers in security and technology transfer. The ASA also launched the Australian Submarine Supplier Qualification program in April 2025, executed by H&B Defence in Australia. ASC is working with H&B Defence and Honeywell to ensure a clear and coordinated approach to market.

3. Enhance ASC's strategic capability partnerships

In July 2024, ASC began establishing a panel of strategic partners to enhance ASC's capabilities as an SSP and SSSP. This initiative is currently on hold pending a review by the NSSG, in line with ISSC guidance. Technology transfer will be addressed in collaboration with selected partners once the review is complete and a detailed Statement of Work has been developed for each partner.

ASC currently works with a range of suppliers and maintains a long-standing partnership with EB. To further strengthen its SSN sustainment capability, ASC is developing a Strategic Capability Partner Panel. This panel will include:

- Tier 1: Shipbuilders and original equipment manufacturers; and
- Tier 2: Specialist advisory agencies.

The panel will support ASC's capability uplift in key areas such as:

- nuclear stewardship and systems advisory;
- SSN sustainment;
- planning yard support for SRF-West;
- DLM development;
- supply chain uplift and qualification;
- security enhancement;
- technology transfer; and
- workforce planning.

ASC's strategic partnerships are long-term and may evolve to support future capability growth.

Note that capability partnerships for the SSN AUKUS Build Program will be developed by the future IJV due to the program's later timing. Following the IJV's establishment, ASC will work with the IJV to assist it in leveraging any suitable SSN Sustainment capability partners.

Key Relationships: Supply Chain Capability Program

ASA

The ASA was established on 1 July 2023 to safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's SSN capability, via the AUKUS partnership. ASC works closely with the ASA to establish and execute AUKUS Optimal Pathway requirements. The ASA works directly with AUKUS I&A on G2G AUKUS matters.

NSSG

The NSSG is the dedicated delivery agent for Australia's Naval Shipbuilding and Sustainment Enterprise, responsible for providing naval capability acquisition and sustainment. NSSG manages the CCSM ISSC, under which ASC works closely with it to deliver on the RAN's submarine availability requirements.

AUKUS Integration and Acquisition (I&A)

The AUKUS I&A Program Office is part of US Naval Sea Systems Command's 'Team Submarine' and is responsible for executing the US's Optimal Pathway responsibilities. ASC is working closely with AUKUS I&A on understanding and delivering on US requirements for SSN Sustainment. AUKUS I&A works directly with the ASA on the G2G aspects of AUKUS.

EB and HII NNS

EB and HII NNS are the primary US shipbuilders for US submarine programs, with EB primarily responsible for VCS design and construction. ASC is working closely with them to deliver the DIVQ program, and they will be important strategic capability partners on all aspects of SSN sustainment.



Enabling Infrastructure

Physical

In SA, upgrades to the Osborne Naval Shipyard will be essential to support:

- the extended use of existing CCSM sustainment facilities to meet LOTE requirements;
- future SSN AUKUS construction; and
- long-term industrial growth and workforce development.

ASC will continue to engage with the CoA and Australian Naval Infrastructure (ANI) to ensure that critical investments and delivery timeframes are planned in line with program requirements and funding capacity.

In WA, critical infrastructure works are needed to ensure Australian submarines can be maintained safely and efficiently, while also supporting the rotational presence of allied submarines in SRF-West. This includes the development of:

- nuclear-certified maintenance facilities;
- expanded berthing and docking capabilities; and
- secure facilities to meet industrial and workforce expansion requirements.

Together, these infrastructure investments will enable ASC and its partners to deliver a world-class SSN capability.

Digital

As ASC and its partners transition into a more technologically advanced and internationally integrated Defence environment, digital systems must be designed to support the secure handling, processing and transfer of highly sensitive information – particularly in the context of AUKUS collaboration with the US and UK.

These ‘digital backbone’ systems must be resilient, and capable of operating in contested cyber environments.

ASC has initiated a modernisation initiative to enhance the digital backbone by upgrading end-user computing devices and network infrastructure. This will improve capacity, resilience and capability. The project is scheduled for completion in Q3 2025.

Complementing this activity, ASC is implementing a 24/7 cybersecurity operations centre to enable rapid response in the face of increased threats present in the AUKUS environment. This will provide additional support to the company’s international entities operating in different time zones.

7

Enterprise Leadership

Enterprise Leadership

ASC is the CoA's Sovereign Submarine Industry Partner. As such, it is the only industry partner to have significant involvement across all Australian submarine scope.

Recognising this, ASC's Enterprise Leadership pillar is focused on fulfilling ASC's SSP duties through demonstrating leadership in building Enterprise-wide alignment to successfully deliver current and future submarine programs. Key elements of this pillar include:

- taking a proactive, Enterprise-first approach, particularly in ASC's appointed role to grow capabilities to support both existing and future submarine Enterprises;
- supporting coordination of the operationalisation of Australia's submarine objectives; and
- delivering proactive, long-cast strategic planning for delivery and industry objectives to support decision-making within Enterprise forums.

Enterprise Approach

The Australian Submarine Enterprise ecosystem is rapidly changing. As the various AUKUS programs mobilise, so too does ASC's level of engagement with the NSSG, ASA, RAN and DoF, as well as Australia's nuclear regulatory bodies.

ASC's involvement in AUKUS means it now requires a robust understanding of the sovereign US and UK ecosystems and their value chains for delivery, industry and regulatory activities.

To this end, the company will continue building efficient, effective and agile stakeholder engagements with key international organisations as they relate to supporting SRF-West, as well as Australian SSN AUKUS Build and SSN Sustainment endeavours.

Stakeholder Engagement

MCS

ASC is:

- working directly with NSSG to enhance CCSM Enterprise program performance measurement and reporting behaviors as part of PoC measures;
- increasing the level of support it's providing for SRF-West's establishment;
- actively pursuing increased organisational maturity to achieve nuclear-readiness targets; and
- working with Defence to optimise CCSM and VCS value chains to support synchronisation of the two classes' sustainment across all Australian and trilateral Enterprise partners.

SSN AUKUS Build Program

ASC continues to work closely with SSN AUKUS Build stakeholders in Australia and the UK. The company's UK Entity will play a key role in relationship building and maintenance with BAE Systems' Barrow-in-Furness SSN AUKUS design and build teams, as well as the ASA's Resident Project Team in the UK. As the program matures, ASC will also actively pursue increased engagement with Defence, the South Australian Government and industry, the latter in both the UK and Australia, to ensure the program can be executed in line with the Optimal Pathway.

8

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. ASC is committed to protecting the natural environment, aiming to go beyond legislative requirements and embed an organisation-wide ethos of sustainability, environmental awareness and stewardship.

Strategic Activity Plan

Recognising that organisational culture has a direct impact on Work Health, Safety and Environment (WHSE) performance, ASC has created an updated WHSE Strategic Activity Plan (SAP), 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 continually improving process; and
- strengthening environmental management standards in alignment with best practice.

Improvement opportunities

The WHSE SAP focuses on the following 12 identified improvement opportunities for ASC, aligned to the company's WHSE 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 WHSE risk management framework

We will improve upon risk management capability and 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 stored, handled and used.

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

We will ensure ASC's youngest workers – tomorrow's leaders – are equipped to help build and maintain a generative safety culture.

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 enhance mutual knowledge and perspectives.

9. Improve 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, minimising productivity impacts.

10. Enhance environmental stewardship and best-practice

We will build organisational capability, strengthen legal compliance and enhance ASC's licence to operate by embracing and embedding the best-practice principles of environmental stewardship.

11. Enhance and consolidate emergency response capability

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

12. Expand nuclear readiness, future frontiers and innovation

We will ensure our ongoing WHSE commitment to Australia's existing CCSM fleet while delivering SSN capabilities. Our work will be supported by a legal review and cultural maturity assessment, which will be complemented with ongoing stakeholder engagement, peer benchmarking and research. Our improved capabilities will support our evolving global and multi-class operational scope, risk profile, and future activities.

Performance Measurement and Continuous Improvement

ASC measures its WHSE performance through metrics aligned with industry best-practice, ensuring that consistent and comparable information is collected, analysed and reported. WHSE performance metrics incorporate both 'lead' and 'lag' targets. The former measure specific aspects like 'employee sentiment' and gauge ASC's cultural progress; the latter establish areas for improvement.

ASC will continue to review and improve management and performance measurement practices in line with the guiding principles of innovation and continuous improvement. The WHSE SAP will be reviewed and updated annually to capture the company's evolving operating scope and ensure alignment with industry best-practice.

Guiding Principles

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

1. Information and awareness

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

2. Organisational collaboration and standardisation

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

3. Smart systems analysis reporting and governance

We report on proactive WHSE performance of the system and constituent elements, using data that is valid, reliable and accurate.

4. Health, safety, wellbeing, environmental and cultural excellence

We embed and foster ASC PRIDE values in all WHSE activities and conduct to inspire our workforce.

5. Innovation and continuous improvement

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

9

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:

- Net Zero in Government Operations Emissions Reporting Framework; and
- Treasury Laws Amendment Bill 2024 (Schedule 4 Sustainability Reporting) Sustainability Reporting Standards on mandatory climate-related financial disclosures (from 1 January 2025).

Based on a materiality assessment and mandatory reporting standards, ASC has identified several ESG themes to focus efforts on during the 2025-30 planning period, with each to be phased in over time.

Environment 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 social licence to operate*;
- 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 are currently in focus.*

Sustainability Reporting

ASC has structured its sustainability reporting against four pillars of sustainability disclosure.

1. Governance

Sustainability governance consists of the processes, controls and procedures used to identify, prioritise, monitor, manage and oversee sustainability reporting, risks and opportunities.

2. Risk management

ASC manages sustainability risk in accordance with its Risk Management Framework. Risks and opportunities related to each of the listed themes have been identified and incorporated into the company's risk management system.

3. Metrics and targets

Metrics and targets are established for each of the listed sustainability themes and progress is being monitored monthly from the 2023-24 baselines towards the 2028-29 target.

ASC's external auditors will provide independent assurance on sustainability reporting. This will be done in accordance with the Assurance Over Climate and Other Sustainability Information standards, as developed by the CoA's Auditing and Assurance Standards Board.

4. Strategy

ASC ensures compliance with CoA-mandated sustainability reporting and released its baseline emissions figures for 2023-24 under the Commonwealth Climate Disclosure legislation.

Although the initial focus of mandatory sustainability reporting standards is on disclosure of climate-related financial information, ASC will focus its efforts across all ESG areas.

A prioritised approach is being followed, leveraging existing metrics and initiatives where possible. This will ensure an efficient, cost-effective method of meeting mandatory standards and contributing to ASC's sustainability objectives.

Progress on targets and underlying corporate initiatives will be monitored regularly during the next five years, with oversight by ASC's Executive Committee (ExCo) and Business Assurance and Security Committee (BASC).



10

Security

Security

Recognising security's critical role in the company achieving its purpose and maintaining its licence to operate, the ASC 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, the company, 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.

Capabilities and Projects

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

1. Identify and manage security risks to the organisation.
2. Protect the organisation's people, data, technology and processes.
3. Detect security threats and anomalous activities, including insider threats.
4. Respond – degrade, contain and stop active security threats and learn from past incidents.
5. Recover – minimise the impact of security incidents on the organisation.

Enhancements in these capability areas will be delivered through people, processes and technological systems.

A Complex Environment

Australia's national security environment is becoming increasingly complex and challenging, with significant threats needing to be mitigated. Key among them are:

- cyberattack;
- espionage and foreign interference;
- trusted insiders; and
- issue-motivated groups.

In response, ASC's protective security arrangements support Australia's national security and the company's business objectives through the identification and management of potential and known threats and risks.

The company's security management is aligned to the four pillars of protective security:

1. Governance.
2. Personnel Security.
3. Physical Security.
4. Information Security.

Future Initiatives

ASC is committed to continually enhancing its security posture to address emerging threats and evolving operational requirements, and is working with the ASA to prepare and adapt to be nuclear-ready.

The following initiatives are planned for the 2025-30 planning period:

1. Advanced threat detection and response

ASC will invest in cutting-edge technologies and methodologies to enhance its ability to detect, and respond to, sophisticated threats in real time. This includes the implementation of advanced analytics, machine learning and artificial intelligence.

2. Integrated cross-functional insider threat program

ASC will create a program that increases clearance requirements for all company programs, and monitor and analyse user behaviour to minimise insider threats.

3. Enhanced cyber-resilience

To ensure the company can withstand and recover from cyber incidents, ASC will build a robust cyber-resilience framework. This will involve regular incident-response-plan testing, cybersecurity drills, and enhancing backup and recovery processes.

4. Supply chain security

Recognising the importance of securing its supply chain, ASC will work closely with suppliers and partners to ensure they adhere to stringent security standards. This includes conducting regular security assessments and audits to identify and address potential vulnerabilities.

5. Security culture and awareness

ASC will continue to foster a strong security culture by providing ongoing training and awareness programs for all employees.

6. Collaboration with strategic partners

ASC will strengthen its collaboration with federal agencies, AUKUS partners and other strategic stakeholders to share security intelligence, best practices and resources.

7. Technological innovation

ASC, in consultation with the Australian Signals Directorate and other strategic partners, will continuously scan the market for new technologies that can enhance its threat detection, incident response and risk management capabilities.



11

Social Licence and Nuclear Culture

Social Licence and Nuclear Culture

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.

- Legitimacy is the extent to which an organisation 'plays by the rules' (i.e. adheres to community norms), be they legal, social, cultural, formal or informal.
- Credibility is the company's capacity to provide transparent, accurate information to the community and fulfil any commitments made.
- Trust is the willingness to be vulnerable to the actions of another – a very high quality of relationship that takes time and effort to create.

Achieving social licence is not a quick process and requires ongoing effort and commitment.

Internal Approach

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.

The initial focus has been on raising nuclear awareness. The aim has been to build a confident, knowledgeable and engaged workforce to shape Australia's nuclear future.

This training and education will continue throughout the 2025-30 planning period, with a more formalised training program to be developed during 2025.

This expanded program will include the onshore delivery of certain training capability currently delivered in the US, reducing the cost and duration of overseas training. 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.

Additionally, ASC will:

- pursue the early implementation of CoA Climate-Related Financial Disclosures reforms, requiring the rigorous and transparent reporting of climate risks, opportunities, management strategy, governance, metrics and targets; and
- strengthen its nuclear stewardship capabilities and awareness through an extensive update of the ISO14001-certified Environmental Management System, ensuring both current and future risks are adequately understood, documented and controlled.

Nuclear Culture and Mindset

ASC has a requirement to 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 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 values and behaviours to align with the requirements for successful operation in a nuclear environment.
- Ensure alignment with the ASA's Nuclear Mindset Principles (see Figure 4).
- 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 at commencement of SRF-West SSN sustainment.

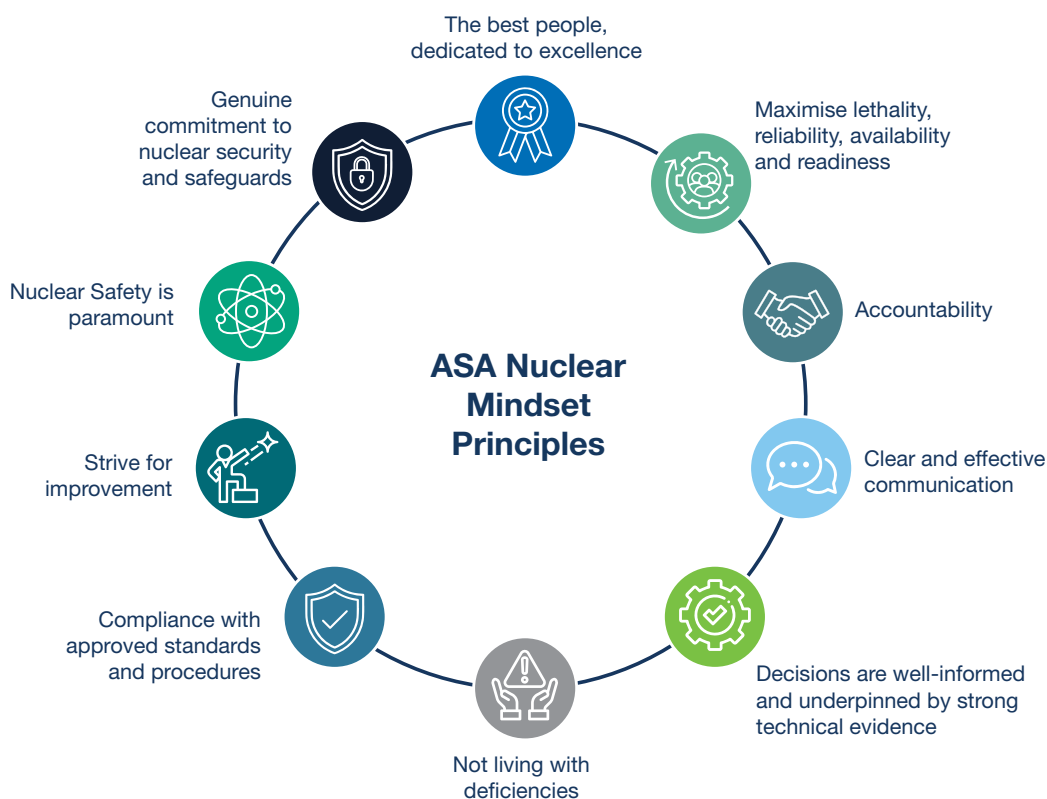


Figure 4: ASA nuclear mindset principles.

External Approach

As ASC's employees are its best advocates in the community, the company's internal and external delivery will need to be undertaken collaboratively.

SSN AUKUS Build

As Australia's SSPs, ASC and BAE Systems are in the process of collaboratively drafting a 2025-27 Social Licence Strategy for the SSN AUKUS Build Program. This strategy will identify:

- strategic objectives and guiding principles for fostering strong relationships with key stakeholders; and
- key areas of focus to address the program's social licence risks and opportunities.

The strategy will operate alongside an implementation plan which will be updated annually throughout the 2025-30 planning period.

ASC will also develop and deliver an 'always on' community engagement and communications plan to provide SSN AUKUS Build-related information to the Australian public; and, in collaboration with the CoA and BAE Systems, will support the ASA's overarching social licence strategy.

SRF-West

ASC is also developing its 2025-27 Corporate Social Responsibility Strategy, which will include the company's approach to building social licence for SRF-West SSN sustainment.

First Nations

Having trusted relationships with the Traditional Owners of the lands on which it operates is also critical to ASC's social licence. The company has both the responsibility and opportunity to contribute significantly to Australia's reconciliation effort by:

- better understanding First Nations cultures and histories;
- ensuring a culturally safe environment for First Nations personnel; and
- collaborating on opportunities for employment and economic participation.

The company's current Innovate Reconciliation Action Plan (RAP) concluded in May 2025, and ASC will continue its reconciliation journey with a second Innovate RAP spanning 2025-27.

12

Risk Management

Risk Management

ASC is committed to maintaining Enterprise risk management as a core enabling discipline throughout the 2025-30 planning period by enhancing processes, systems, training and oversight, in turn ensuring strategic objectives and corporate governance responsibilities are met.

Framework and Governance

The ASC Board leads risk management through its BASC, which oversees implementation of the company's Risk Management Framework and monitors 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 consultation, 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 (using Predict! software) captures information, including controls, and documents the mitigation actions required to effectively manage risk in line with ASC's risk appetite.

The ASC Board, ExCo, and respective programs and business units routinely report on and monitor key risk indicators, with supporting metrics, against defined risk-tolerance levels. When residual risk ratings are deemed to be outside the company's appetite, targeted risk management plans are applied and monitored to reduce the associated risks and bring them closer to, or within, appetite.

ASC's risk profile considers risks at the strategic, operational, program and project level across areas that could impact organisational and strategic performance. Multiple risk categories have been incorporated into the Framework to enable the risk profile's review and analysis. Those risk categories are:

- Strategic Planning;
- Sustainment;
- Operations;
- Engineering;
- Supply Chain;
- P&C;
- Finance;
- Governance, Risk and Compliance;
- Technology;
- WHSE;
- Security;
- Nuclear; and
- Workforce Development.





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