



Australia's
Submarine
Company



Annual Report 2025

Acknowledgement of Country

We acknowledge the Traditional Owners of the lands and waters on or near ASC's operations in South Australia and Western Australia – the Kurna people of the Adelaide Plains and the Whadjuk Noongar people of Perth's Swan Coastal Plain.

We pay our respects to elders past and present, and we extend that respect to all Aboriginal and Torres Strait Islander peoples.



Artwork by Aaron Hayden

Aaron Hayden resides in Western Australia and was born in Port Lincoln, South Australia. With strong connections in both South Australia and Western Australia, ASC engaged Aaron to illustrate both states in our Reconciliation Action Plan artwork.

The artwork represents ASC's values of protect, respect, integrity, discipline and excellence and uniquely depicts people working together on both the land and on water. The symbol at the centre depicts ASC people coming together through water and the Great Australian Bight.



Contents

	Glossary	6
	Transmittal Letter	7
1	Company Profile	9
	Background and History	9
2	Chair's Report	13
3	Chief Executive Officer and Managing Director's Report	15
4	Multi-Class Sustainment	19
5	SSN AUKUS Build	25
6	Strategy and Transformation	29
	Strategy	29
	Transformation	31
7	Nuclear Preparedness	35
8	Integrated Supply Chain Capability	39
9	Work Health, Safety and Environment	43
10	Security	53
	Protective Security	53
	Cybersecurity	54
	Outlook	54
11	Social Licence	57
12	People and Culture	61
13	Corporate Governance	67
14	Remuneration Report	79
15	Financial Highlights	87
	Two-year Performance at a Glance	87
16	Financial Report	89
	Consolidated financial report for the year ended 30 June 2025	89
	Auditor's Independence Declaration	96
	Directors' Declaration	97
	Independent Auditor's Report to the Members	98
	Financial Statements	101
17	Index of PGPA Requirements	159
18	Corporate Directory	163

Glossary

ACSM	Attack Class Submarine	E3	Enable Our Potential, Evolve Our Capability, Embrace Our Future	OPV	Offshore Patrol Vessel
AMC	Australian Marine Complex	FCD	Full-Cycle Docking	OSR	Operational Safety Risk
ANAO	Australian National Audit Office	FoC	First of Class	PAT	Profit After Tax
ANI	Australian Naval Infrastructure	FOS	Full Operating Support	PEM	Price Earnings Multiple
ANNPS	Australian Naval Nuclear Power Safety	FPIB	Fire Protection Industry Board	PBT	Profit Before Tax
APS	Australian Public Service	GAT	Graduate, Apprenticeship and Traineeship	PHNSY	Pearl Harbor Naval Shipyard
AS	Australian Standard	GBE	Government Business Enterprise	PIA	Protected Industrial Action
ASA	Australian Submarine Agency	HCFP	Hunter Class Frigate Program	PLC	Public Limited Company
ASIB	Australian Submarine Industry Base	HII NNS	Huntington Ingalls Industries Newport News Shipbuilding	PoC	Product of Concern
AUKUS	Australia, United Kingdom, United States (a trilateral security partnership)	HMAS	His Majesty's Australian Ship	PP	Performance Period
AWD	Air Warfare Destroyer	HRRC	Human Resources and Remuneration Committee	PRIDE	Protect, Respect, Integrity, Discipline, Excellence
BASC	Business Assurance and Security Committee	HSR	Health and Safety Representative	RAN	Royal Australian Navy
CCSM	Collins Class Submarine	ID	Intermediate Docking	RIFR	Recordable-Injury Frequency Rate
CoA	Commonwealth of Australia	IJV	Incorporated Joint Venture	RN	Royal Navy
CCD	Commonwealth Climate Disclosure	IOS	Initial Operating Support	SA	South Australia
CUF	Common User Facility	ISC	Interim Services Contract	SaaS	Software as a Service
DCF	Discounted Cash Flow	ISO	International Organization for Standardization	SME	Subject Matter Expert
DIVQ	Defence Industry Vendor Qualification	ISSB	International Sustainability Standards Board	SRF-West	Submarine Rotational Force – West
DoD	Department of Defence	ISSC	In Service Support Contract	SSN	Ship Submersible Nuclear
DoF	Department of Finance	IT	Information Technology	SSP	Sovereign Submarine Partner
DTP	Digital Transformation Program	KPI	Key Performance Indicator	SSSP	Sovereign Submarine Sustainment Partner
EA	Enterprise Agreement	LLC	Limited Liability Company	SSTP	Sovereign Shipbuilding Talent Pool
EAC	Estimate at Completion	LOTE	Life of Type Extension	STSC	Submarine Training and Systems Centre
EB	Electric Boat	LTIFR	Lost-Time-Injury Frequency Rate	S&Q	Survey and Quote
ECP	Early Careers Program	MCD	Mid-Cycle Docking	TA-SM	Training Authority – Submarines
EBIT	Earnings Before Interest and Tax	MCS	Multi-Class Sustainment	TSC	Training Services Contract
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation	MSA	Master Services Agreement	TSIB	Trilateral Submarine Industry Base
EFA	Equity Funding Agreement	NPSCY	Nuclear-Powered Submarine Construction Yard	UK	United Kingdom
ERMC	Executive Risk Management Committee	NSSG	Naval Shipbuilding and Sustainment Group	US	United States
ESG	Environmental, Social and Governance	OJT	On-The-Job Training	USN	United States Navy
EVP	Employee Value Proposition			VCS	Virginia Class Submarine
ExCo	Executive Committee			WA	Western Australia
				WHSE	Work Health, Safety and Environment
				WPI	Workplace Inspection

Transmittal Letter



ASC PTY LTD
ABN 64 008 605 034
GPO Box 2472, Adelaide
South Australia 5001

ASC NORTH
694 Mersey Road North
Osborne, SA 5017
T +61 8 8348 7000

ASC WEST
20 Nautical Drive
Henderson, WA 6166
T +61 8 140 4100

E info@asc.com.au
www.asc.com.au

30 September 2025

Senator the Hon Katy Gallagher
Minister for Finance
Parliament House
Canberra ACT 2600

Dear Minister,

ASC PTY LTD 2025 ANNUAL REPORT

I am pleased to submit the 2025 Annual Report of ASC Pty Ltd (ASC), prepared in accordance with the *Public Governance Performance and Accountability Act 2013* and approved by the ASC Board.

It includes financial statements for ASC and its controlled entities for the financial year ended 30 June 2025, and reports on ASC's performance and progress. ASC achieved a profit after tax (PAT) of \$15.8m.

The start of this reporting period marked the beginning of Performance Period Five (PP5) under ASC's Collins Class Submarine (CCSM) In Service Support Contract (ISSC) with the Commonwealth of Australia (CoA) represented by the Department of Defence (DoD).

In December 2024, CCSM sustainment was listed as a Product of Concern (PoC). Following this, ASC collaborated with the DoD to jointly develop a PoC remediation plan. A draft of that plan was delivered in early 2025 and ASC attended a first PoC Summit in February 2025. Work on the PoC remediation plan was ongoing at 30 June 2025.

In 2024-25 the company continued to invest considerable time and effort into planning for, and enabling, the growth required to deliver simultaneously on each of ASC's critical roles, including:

- sustaining the CCSM fleet and delivering its Life of Type Extensions (LOTE);
- providing sustainment support for US and UK conventionally armed, nuclear-powered submarines (SSNs – Ship Submersible Nuclear) and, in future, sustaining Australian SSNs, as Australia's Sovereign Submarine Sustainment Partner (SSSP);
- collaborating, as one of Australia's Sovereign Submarine Partners (SSPs), with fellow SSP BAE Systems to form the IJV that will build Australia's SSN AUKUS submarines, and drive uplift in the Australian and Trilateral Submarine Industry Bases (ASIB and TSIB respectively); and
- training Royal Australian Navy (RAN) submariners.

On behalf of the ASC Board, I commend ASC's workforce, its leadership team and supply chain partners for their commitment during 2024-25.

I am grateful for your endorsement of this document and its tabling in Parliament.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bruce Carter'.

Bruce Carter AO
Chair



1

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, with BAE Systems, 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 defence company to achieve global standard ISO 55001 certification for the management of complex physical assets. It currently employs over 2,600 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 (ACSM) 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, with first-of-class (FoC) implementation on track to commence in 2026 on HMAS *Farncomb*.

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 Virginia Class submarines

(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.

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.





2

Chair's Report



Chair's Report

On behalf of the ASC Board, I am pleased to present the company's 2024-25 Annual Report.

ASC recorded a PAT for the period of \$15.8m (\$19.0m in 2023-24) and annual revenue (from contracts, government grants and other income) of \$977.0m (\$843.5m in 2023-24).

The company showed great resilience and commitment in what was a year of intense activity, change and challenge.

As ASC moved into PP5 of the ISSC, protected industrial action (PIA) initiated by ASC's SA trades and warehousing workforce in May 2024 was ongoing. This was resolved through further negotiation and a new Enterprise Agreement (EA) executed in early 2025.

In December 2024 the Minister for Defence Industry and Capability Delivery listed CCSM sustainment as a PoC. Recognising its key role in the Enterprise, ASC took immediate action to contribute to the development of a PoC remediation plan, collaborating closely with Defence.

A draft of that plan was delivered in early 2025, ASC attended a first PoC Summit in February 2025 and work on the plan was ongoing at 30 June 2025.

ASC's workforce remains critical to the company's important work: sustaining the CCSM fleet; providing sustainment support for visiting and forward rotating US and UK SSNs and, in future, sustaining Australian SSNs; collaborating with fellow SSP BAE Systems to form the IJV that will build Australia's SSN AUKUS submarines, and drive ASIB and TSIB uplift; and training the RAN's submariners.

In 2024-25 the company continued to invest considerable time and effort into planning for, and enabling, the significant growth required in both capacity and capability to deliver simultaneously on all these fronts.

Much of this work is being done in close collaboration with the DoD, Australian Submarine Agency (ASA), and BAE Systems.

ASC also made great progress in its nuclear preparedness, developing – among other things – nuclear safety and radiation protection policies aligned with international best-practice.

On behalf of the ASC Board, I commend ASC's workforce, its leadership team and supply chain partners for their commitment during 2024-25, and particularly for the continuing resolve being shown to restore exemplary submarine availability for the RAN.

Finally, as my time on the ASC Board draws to a close at the end of 2025, I want to thank this organisation for giving me the privilege of helping to guide it in executing its mission – so critical to Australia's national security – for these past 16 years.

I look forward to seeing ASC continuing to deliver well into the future.

Bruce Carter AO
Chair



3

CEO and MD's Report



Chief Executive Officer and Managing Director's Report

The 2024-25 reporting period brought important

successes and progress for ASC, together with significant challenges.

Collins Class Submarine Program

As ASC moved into ISSC PP5, PIA initiated by the company's Osborne, SA, trades and warehouse workers in May 2024 was ongoing, and this continued to slow progress on scheduled Full-Cycle Dockings (FCDs). However, with further good-faith negotiation, the situation was resolved to the satisfaction of all parties in November 2024 and a new EA came into effect in early February 2025. Negotiations for the equivalent trade EA in WA, where PIA had caused minimal program disruptions, were also resolved in November 2024. That new agreement formally commenced in January 2025.

Just prior to this, in December 2024, the Minister for Defence Industry and Capability Delivery listed the CCSM Sustainment Program as a PoC. ASC was accountable for its part in this and responded accordingly, working closely with Defence to contribute to the development of an Enterprise PoC remediation plan in early 2025. Work on the plan was ongoing at 30 June 2025.

Significant progress was also made on the CCSM LOTE. The project remains on track, with important design and testing work completed in 2024-25.

Nuclear-Powered Submarine Programs

Activity in ASC's SSN Sustainment Program accelerated during the period, most visibly through increased deployments to the Pearl Harbor Naval Shipyard (PHNSY). By 30 June 2025, over 160 ASC personnel had been placed there to undertake two-to-three years of VCS sustainment training.

Managing the logistics around this – and particularly at this pace – has required a huge amount of work from many at ASC, working closely with counterparts in Defence, the ASA and US. Everyone involved is to be commended for their ceaseless efforts.

Equally importantly, ASC supported a US Navy (USN) Submarine Tender-assisted Maintenance Period (STMP) at HMAS *Stirling*, WA in September 2024. The company also completed significant preparations for further US SSN visits in 2025-26, and made wide-ranging contributions to ASA working and steering groups.

In the SSN AUKUS Build Program, ASC continued to collaborate with its fellow SSP, BAE Systems, to lay the foundations for the program and the IJV that will build Australia's SSN AUKUS fleet. This included completing important legal and commercial agreements to enable mobilisation activities, and undertaking critical workforce development planning and activity.

Complementing this, ASC's UK entity achieved Initial Operating Capability in March 2025 and provided work visas and in-country support to the first cohort of ASC employees seconded to BAE Systems' Barrow-in-Furness manufacturing facility for training and knowledge transfer.



Nuclear Readiness

Concurrently with ASC's work in its SSN Sustainment and SSN AUKUS Build programs, the company took great strides towards becoming a nuclear-capable organisation.

Most notably, ASC's Nuclear and Capability Development team delivered its *Blueprint to Nuclear Readiness*, setting out a proposed pathway to achieve critical nuclear milestones over the coming decade.

Following passage of the *Australian Naval Nuclear Power Safety Act 2023* (ANNPS Act) through federal parliament in 2024–25, the team also accelerated the company's regulatory readiness through the development of nuclear safety and radiation protection policies based on international best-practice.

Safety and Environment

In addition to making important contributions to key PoC remediation plan initiatives, ASC's Work Health, Safety and Environment (WHSE) team also oversaw the adoption of a new proactive WHSE reporting approach.

The team led the implementation of preventative measures as a means of reporting on proactive WHSE activities, including WHS Leadership Interactions, Critical Control Observations and Verifications, and Workplace Inspections.

The changes were embraced across the business, with strong completion rates reported in all these measures.

Digital Transformation

ASC made strong progress in its DTP during 2024-25.

While continuing to embed process change resulting from DTP Tranche 1 – the delivery of a new Enterprise Resource Planning (ERP) platform – the company also commenced Tranche 2 in the second half of the reporting period.

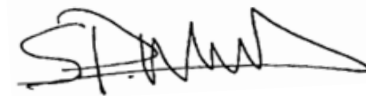
DTP Tranche 2 is aimed at implementing an advanced Product Lifecycle Management (PLM) system, which will enhance ASC's engineering processes and productivity.

Conclusion

As has been the case throughout my 35-plus years at ASC, I remain extremely proud of the deep commitment to this company's mission showed by our highly skilled people.

Led by our senior leadership team, they've worked tirelessly and diligently to restore CCSM availability while simultaneously progressing all aspects of ASC's roles in delivering the CoA's Optimal Pathway for the acquisition of an enduring SSN capability.

As I contemplate the approaching end of my tenure as ASC Chief Executive Officer and Managing Director, I consider it my privilege to have been part of – and to have led – this remarkable group. I look forward to seeing it continue to support Australia's national security for decades to come.



Stuart Whiley AM
Chief Executive Officer and Managing Director



4

Multi-Class Sustainment

Multi-Class Sustainment

ASC's Multi-Class Sustainment (MCS) Program is responsible for ongoing CCSM sustainment, including the LOTE; providing support to visiting and forward rotating US and UK SSNs at HMAS *Stirling*; and sustaining Australia's SSNs – VCSs (from the early 2030s) and the new SSN AUKUS (from the early 2040s).

Integrated across ASC's SA and WA sites, the MCS Program optimises ASC's specialist in-service sustainment capabilities across all submarine classes in accordance with the Australian Submarine Enterprise's priorities to achieve 'best for Enterprise' outcomes.

Collins Class Submarine Program

ASC is responsible for CCSM maintenance and upgrade activities, platform systems integration, design, engineering and supply chain management services through the ISSC.

On 1 July 2024, ASC successfully entered ISSC PP5. At that time industrial action initiated by the ASC SA trades workforce was ongoing (started May 2024). The group conducted a final PIA in October 2024, but with further negotiation the matter was resolved and a formal agreement was signed by the parties through the Fair Work Commission on 5 February 2025.

In the latter part of 2024 overall CCSM availability had fallen below the RAN's expected performance targets. Consequently, on 13 December 2024 the Minister for Defence Industry and Capability Delivery announced that CCSM sustainment had been listed as a PoC. In response, ASC worked closely with the DoD to develop a comprehensive remediation plan to return CCSM sustainment to its required performance levels.

A draft of the wide-ranging remediation plan was delivered in early 2025. Implementation began immediately and work on the plan was ongoing at the end of the reporting period.

ASC's fifth two-year FCD continued through this period at ASC's Osborne site, with the rectification of emerging maintenance issues. In parallel with this, preparations also commenced in SA for the next FCD.

In WA, ASC completed an Intermediate Docking (ID), managed two unscheduled dockings to address emerging issues on operational submarines, and commenced a 12-month Mid-Cycle Docking (MCD).

In parallel to these activities, ASC continued to support the CCSM fleet through Operational Period Maintenance activities, with ASC personnel deployed to operational CCSMs domestically and internationally.

Life of Type Extension

The LOTE project will, in conjunction with ongoing CCSM sustainment, enable the RAN's CCSMs to continue operating beyond their original withdrawal dates.

Through the LOTE, ASC will pre-emptively address key reliability and obsolescence issues that may occur during the boats' life extension periods, with support from original CCSM designer Saab Kockums.

LOTE scope will be determined by Defence on a platform-by-platform basis, with the FoC LOTE to be performed on HMAS *Farncomb* in its upcoming FCD, beginning in 2026.

During the 2024-25 reporting period, ASC:

- conducted design reviews for all major LOTE systems;
- progressed various systems' detailed design and integration; and
- conducted factory acceptance and/or qualification testing on various equipment.

ASC will continue to maximise Australian industry participation as the LOTE project progresses.

Submariner Training

ASC provides submariner training services to the RAN's Training Authority – Submarines (TA-SM) based at the STSC, HMAS *Stirling*, Garden Island, WA.

Forty-five ASC staff are employed at the STSC, including instructors, training developers, learning technology specialists and administrative support staff.

Among its achievements in 2024-25, ASC:

- provided initial training to approximately 75 new RAN submariners;
- provided career and operational training to approximately 470 current RAN submariners;
- developed or upgraded 22 training courses;
- contributed training expertise to several key RAN programs, such as:
 - SEA1450 Life of Type Extension; and
 - SEA1439-6 Sonar Capability Assurance Project;
- continued development of the innovative 'Boat 7' virtual Collins Class platform – 14 interactive procedures were developed, covering duty watch routines, tunnel door operation, escape and rescue, submarine safety, and shore supply;
- developed a 3D printing capability to rapidly create bespoke physical training aids – eight new aids were modelled and printed, including a full tank layout, manifolds, tunnel door and sonar cabinets; and

- delivered submarine technical familiarisation training to over 260 Australian Submarine Enterprise staff.

Nuclear-Powered Submarine Sustainment

Australia's SSN Sustainment Program is being rolled out in three phases, in line with the CoA's Optimal Pathway for Australia's acquisition of SSNs:

- **Phase 1:** Sustainment support for visiting US and UK SSNs – and from 2027 a rotational US and UK force (Submarine Rotational Force – West (SRF-West)) – at HMAS *Stirling*.
- **Phase 2:** Sustainment of Australia's sovereign US-built VCSs from the early 2030s (a minimum of three, and up to five).
- **Phase 3:** Sustainment of Australia's sovereign-built SSN AUKUS Class submarines from the early 2040s.

Key Activities

US deployments for VCS sustainment training

ASC significantly expanded its workforce presence at the PHNSY, Hawaii (US), in 2024-25 to support VCS sustainment training. By the end of the reporting period, over 160 ASC employees had been deployed there, including 100 new recruits.

This growth builds on the successful June 2024 deployment of an initial cohort of 28 personnel. Recruitment efforts have remained strong, with an ongoing attraction campaign targeting both internal candidates and external specialists in nuclear engineering, radiological controls and tradespeople with bespoke welding competencies. (CCSM trades were recruited concurrently to mitigate any impact on CCSM Program performance.)

Looking ahead, ASC plans to deploy an additional 150 personnel to PHNSY over the next 12 months to meet evolving SRF-West requirements. The current focus has shifted toward training progression and competency development, ensuring deployed individuals are well prepared to contribute effectively to SRF-West operations upon their return, by providing a return plan for all deployed personnel.

Ongoing support to visiting SSNs

ASC supported a USN STMP in September 2024. This involved the design and manufacture of a fire-fighting system and provision of a range of temporary wharf services. During the first half of 2025 ASC also undertook further significant preparations to support planned 2025-26 maintenance activity.

Contributing to ASA VCS sustainment working and steering groups

ASC made significant contributions to quarterly ASA working and steering groups, in support of all phases of VCS sustainment in Australia.

ASA has continued to draw upon ASC's experience as the nation's CCSM sustainer to shape its processes and plans for the development and delivery of VCS sustainment capability, through delivery and ongoing updates to the SSN Support System Plan.

Workforce planning and development

ASC made substantial progress during 2024-25 in building and mobilising its SSN sustainment workforce in preparation to support SRF-West. Building on the foundational work of the previous reporting period, ASC achieved the following key milestones:

- By the end of the reporting period, over 160 employees had been successfully deployed to the PHNSY for VCS sustainment training. ASC continued to collaborate closely with international partners, the ASA and Naval Shipbuilding and Sustainment Group (NSSG) to deliver these results.
- Two iterations of ASC's MCS Workforce Plan were developed and delivered to the CoA, providing a strategic framework to guide workforce growth, capability development and deployment planning.
- A series of strategic workforce expansion initiatives were identified, planned and commenced to support the company's significant growth requirements. The initiatives also addressed the critical enablers needed to sustain growth over the long term, including training infrastructure, systems and support services.
- Workforce planning efforts evolved to include active monitoring of training progress and competency development, ensuring PHNSY-deployed personnel are on track to meet SRF-West operational requirements.
- A robust pastoral care model was embedded to support employee wellbeing, retention and engagement, particularly for those undertaking long-term overseas deployments.

These efforts reflect ASC's commitment to building a capable, resilient and well-supported workforce to deliver on Australia's SSN sustainment objectives.

US Entity

ASC's US entity, Australian Submarine Corporation LLC, is a key enabler for ASC's SSSP role in the Australian Submarine Enterprise. The entity was established in April 2024.

As ASC continues its capability uplift in preparation to support SRF-West from 2027, it's envisaged that the US entity's key functions will be to:

- provide local support for ASC personnel deployed to the US for VCS sustainment training, and those embedded into the wider US SSN ecosystem for knowledge transfer;
- help establish mechanisms to accelerate ASC's required SSN sustainment-related workforce capability uplift and knowledge and data transfer requirements; and
- provide necessary access to key elements of the US SSN ecosystem.

During 2024-25 ASC initiated foundational work to operationalise the entity, which will continue in 2025-26. This includes work to:

- establish Australian Submarine Corporation LLC corporate governance;
- implement supporting arrangements to employ personnel; and
- pursue accreditation to sponsor US security clearances.



Photo: Department of Defence.





5

SSN AUKUS Build

SSN AUKUS Build

During 2024-25 ASC continued to collaborate with its fellow SSP, BAE Systems, to lay the foundations for the SSN AUKUS Build Program and the IJV the companies will form to build Australia's future SSN AUKUS submarines.

In late 2024 ASC and BAE Systems signed two deeds with the CoA. Collectively, these documents confirmed agreed program objectives and the terms and conditions under which build preparation activities will be undertaken.

This was followed by the parties entering a contract for Year 1 activities. These activities included:

- commencing program mobilisation activities; and
- determining the steps necessary for the IJV's establishment and implementation as Australia's enduring sovereign Australian submarine build entity.

Additionally, ASC completed significant planning for Year 2 activities, again in close collaboration with BAE Systems and the CoA.

Workforce Planning and Development

ASC's SSN AUKUS Build workforce activities during 2024-25 were focused on mobilising the necessary short-term workforce and undertaking strategic planning for the long-term growth that will be required, as well as the initiatives to deploy and develop it.

Specific activities included:

- establishing ASC's SSN AUKUS program mobilisation team;
- supporting development of a long-term demand forecast, and short- and medium-term resource profiles;

- deploying the first cohort of ASC personnel to the UK for long-term training (embedded as secondees within BAE Systems);
- establishing cultural integration activities to enable and enhance collaborative ways of working across the program; and
- identifying required workforce growth initiatives.

ASC also entered into bilateral agreements with the CoA for the 2024 Early Careers Program (ECP24) and 2025 Graduate, Apprenticeship and Traineeship (GAT25) Program.

Sovereign Shipbuilding Talent Pool

The SSTP Program was established in October 2021 and finalised in February 2025 with the expiry of the SSTP Master Services Agreement (MSA).

Through the program:

- 220 former Naval Group Australia and Lockheed Martin Australia personnel affected by the ACSM program's cancellation were successfully integrated into the ASC workforce;
- 78 ASC staff successfully completed deployments to the US or UK to gain valuable insights into these AUKUS partner nations' shipbuilding practices;
- dozens of ASC subject matter experts (SMEs) were seconded to directly support ASA teams; and
- several ASC personnel obtained SSN-related postgraduate qualifications in the UK, including in Nuclear Science and Technology, and Physics and Technology of Nuclear Reactions.

The SSTP also supported the development and implementation of several Learning and Organisational Development initiatives, including ECP24 and GAT25, both of which have now been transitioned into ASC's SSN AUKUS Build Program.

During the SSTP's operation, the CoA conducted 12 program Performance Assessment Reviews, with all indicators rated either on or well above target. ASC also received a 'high performing' rating for the SSTP Program on several occasions under the CoA's Supplier Rating System.

ASC is proud of the SSTP's contribution to the growth and development of an enduring sovereign Australian shipbuilding workforce.

UK Entity

ASC's UK entity, Australian Submarine Corporation Limited, provides valuable support to ASC's 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 suitably qualified and experienced personnel for Australia's sovereign industrial workforce.

Maintaining a minimal presence, 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.

The entity achieved Initial Operating Capability in March 2025 by providing UK work visas and in-country duty-of-care support to the first cohort of five ASC employees seconded to the UK.

The employees are embedded with ASC's fellow SSP, BAE Systems, at its Barrow-in-Furness manufacturing facility for on-the-job training and knowledge transfer.







6

Strategy and Transformation

Strategy and Transformation

In 2024-25 ASC updated its strategy for executing its core business and growing its capabilities to deliver future programs. The strategy is now based around the following four key pillars:

- 1. Operational Excellence**
Meeting contractual standards of quality and availability by strengthening ASC's culture of learning, resilience and agility.
- 2. Transformation**
To be an enduring and institutionalised capability, recognising that ASC will need to develop agility to adapt to changes in the external environment.
- 3. Capability Leadership**
Generate, develop and retain capabilities and enablers within ASC and the ASIB to support current and future programs.
- 4. 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.

Strategy

ASC updated and endorsed its Strategic Framework (see [Figure 1](#)) in April 2025, providing a unified vision for the organisation's future direction.

It brings together ASC's efforts under a shared focus on alignment, delivery, and continuous learning as the company, and Australia, progresses along the Optimal Pathway to sovereign SSN capability.

This approach ensures ASC maintains CCSM capability while building momentum towards VCS sustainment, the SSN AUKUS Build, and SSN AUKUS sustainment.

Through its corporate planning cycle, ASC regularly reviews and validates its Strategic Framework to ensure it remains achievable, measurable, and aligned with evolving national and industry requirements.

STRATEGY AND TRANSFORMATION

Vision

Mission

Objectives

- ## Excellence

ASC 2025 ANNUAL REPORT

Transformation

ASC underwent an important transition in 2024-25 as the company:

- completed the move to a capability-based operating model to support its multiple roles as CCSM sustainer, SSP and SSSP;
- planned and initiated the work required to deliver and manage the necessary growth to perform those roles while maintaining CCSM availability; and
- commenced DTP T2.

Operating Model Implementation

ASC's program to implement its operating model transition, 'E3' (Enable our potential, Evolve our capability, Embrace our future), successfully delivered the change through a focus on four key areas:

1. Structure and People

The move to a redesigned organisational structure was completed, with associated scope and position changes. This was adopted in a staged approach to ensure the business remained focused on submarine availability.

2. ExCo and Risk Governance

An updated risk framework and ExCo governance processes and cadence were fully embedded in the organisation.

3. Process and Systems

Cross-functional processes were aligned and updated.

4. Change Management

All ASC staff were supported throughout the change process.

An internal interim review of the new operating model was undertaken and found that the model was supporting organisational objectives and driving business outcomes. Similar reviews will be conducted regularly as ASC grows and scales.

Digital Transformation Program

ASC's DTP is focused on enabling the company's digital shipyard transition through enhanced systems integration, streamlined processes and expanded real-time data access using cutting-edge technology.

The program will increase performance and reliability, enable more comprehensive knowledge retention and enhance ASC's ability to support the Australian Submarine Enterprise.

In 2024-25, the organisation continued to embed process change resulting from Tranche 1 of the program, which delivered a new ERP platform.

Tranche 2 commenced in the second half of the reporting period. This tranche involves implementing a modern PLM system to support ASC's engineering processes and enhance productivity and reliability. Initial activity focused on:

- vendor contracting;
- implementation planning;
- establishing appropriate governance;
- early works to derisk the program; and
- preliminary design of key system concepts and processes.

Tranche 2 will be executed in two releases.

Transformation Planning

ASC's Transformation strategic pillar remains central to growth as the company supports Australia's transition from conventional submarines to SSNs.

This transition requires rethinking not just 'what' ASC delivers, but 'how' it is delivered. To that end, in 2024-25 ASC's Transformation Office put significant resources into planning for the scaling of the organisation's enabling capabilities to support a much larger, multi-class program environment.

It's anticipated that this work will fall into the following categories:

- strengthening foundational capabilities;
- scaling fit-for-purpose capabilities; and
- developing new capabilities.

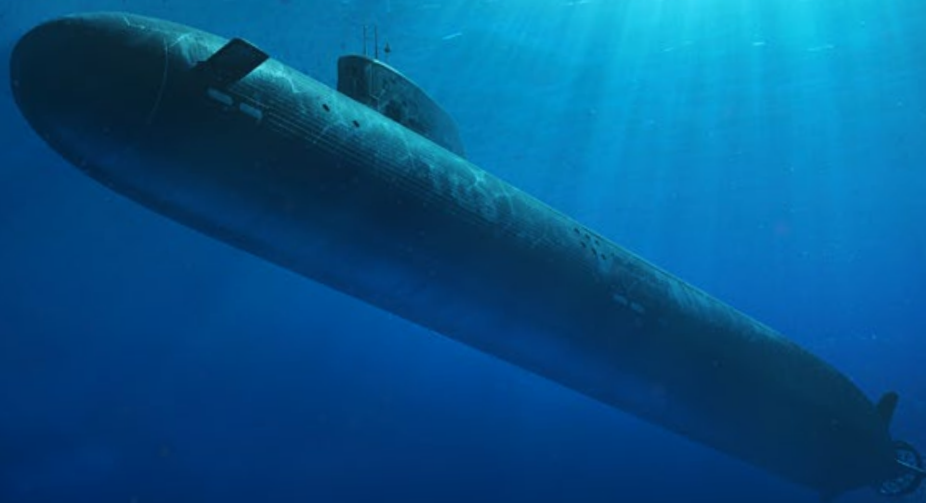
Enterprise Portfolio Management

ASC commenced several initiatives in 2024-25, and identified others, that will act as critical enablers for successful delivery of its submarine sustainment and build programs. These initiatives represent a broad portfolio of programs and projects that have impacts across the organisation, and which present significant organisational change.

In this context, ASC began developing an Enterprise Portfolio Management approach during the reporting period that will:

- provide senior leadership with visibility of all initiatives in the organisation to enable improved management of complex interdependencies;
- provide timely high-level information to support senior leaders' decision-making in relation to executing organisational strategy;
- track key business outcomes at the portfolio level to enhance proactive management;
- enable an enhanced strategic approach to undertaking initiatives that work on, as well as in, the business, through a clear investment and prioritisation framework; and
- provide visibility of the level of change occurring, and planned, across the organisation as it scales, enabling a comprehensive and integrated approach to managing that change.





7

Nuclear Preparedness

Nuclear Preparedness

ASC is actively advancing its nuclear preparedness to support the AUKUS Pillar 1 Optimal Pathway, with a comprehensive approach encompassing strategic planning, cultural transformation, capability development, and regulatory alignment.

A key focus for 2024-25 was the development of the company's *Blueprint to Nuclear Readiness*, which sets out its proposed pathway to achieve critical nuclear milestones over the coming decade alongside strategic appointments.

ASC also expanded its Nuclear Oversight team during the reporting period and progressed several key initiatives, including peer reviews with Enterprise partners, nuclear awareness and cultural uplift programs, and significant capability enhancements through recruitment and education.

Regulatory readiness was bolstered through legislative analysis and site licensing preparations, while nuclear safety and management frameworks were developed in line with international best practices. Additionally, ASC strengthened its nuclear security and safeguards posture, ensuring alignment with Australia's non-proliferation commitments and Enterprise-wide strategic planning.

Key Activities

Nuclear awareness

ASC implemented a program to uplift personnel's general nuclear knowledge and awareness. This included broad educational sessions, specific small-group information, and business-wide activities.

Nuclear uplift

Building on its 2023-24 cultural review, ASC continued to evolve its culture in 2024-25 to operate in a nuclear environment. This was achieved through its nuclear awareness program and alignment of the company's existing PRIDE values (Protect, Respect, Integrity, Discipline and Excellence) with the ASA's Nuclear Mindset Principles (see [Figure 2](#)).

Corporate responsibility and social licence

To successfully deliver on its SSN program responsibilities, ASC must attain and preserve the 'social licence to operate', underpinned by transparent and ongoing community engagement and the pursuit of technical excellence.

ASC worked with its fellow SSP, BAE Systems, to undertake social licence engagement activities for the SSN AUKUS Build Program in 2024-25, which will dovetail with ASC's broader Corporate Social Responsibility (CSR) strategy (to be delivered in 2025-26).

See [Social Licence](#) for further details.

Regulation and Site Licensing

Following passage of the ANNPS Act through federal parliament in 2024-25, ASC accelerated preparations to become a nuclear-ready organisation. This work focused on aligning the company's capabilities, systems and culture to meet the conditions required for site licensing and authorised-user applications in support of the SSN AUKUS Build and SSN Sustainment programs.

ASC also completed comparisons with equivalent US and UK legislation and associated regulations to inform ASC’s planning ahead of Australia’s naval nuclear regulations (currently being developed by the DoD) and regulator being established.

Management arrangements

To support its nuclear uplift in 2024-25, ASC leveraged international best-practice to:

- develop Nuclear Safety and Radiation Protection policies and share them across the business;
- undertake a detailed review of the ANNPS Act to inform the company’s nuclear management arrangements uplift programs and provide guidance across ASC’s broader corporate responsibilities (pending future ANNPS regulatory guidance); and

- develop a framework for a nuclear safety panel (and identify members) to provide independent advice and challenge ASC thinking.

An initial meeting of the latter was proposed for early in 2025-26.

Security and Safeguards

ASC recognises its responsibility to assure the safety and security of its employees, the communities it operates in, and the broader AUKUS Submarine Enterprise.

To this end, ASC developed briefs in 2024-25 for its personnel deploying to the US and UK (for SSN sustainment and build training respectively) to ensure Australia’s commitment to nuclear non-proliferation is maintained.

Significant work to uplift security was also undertaken (see [Security](#) for further details).

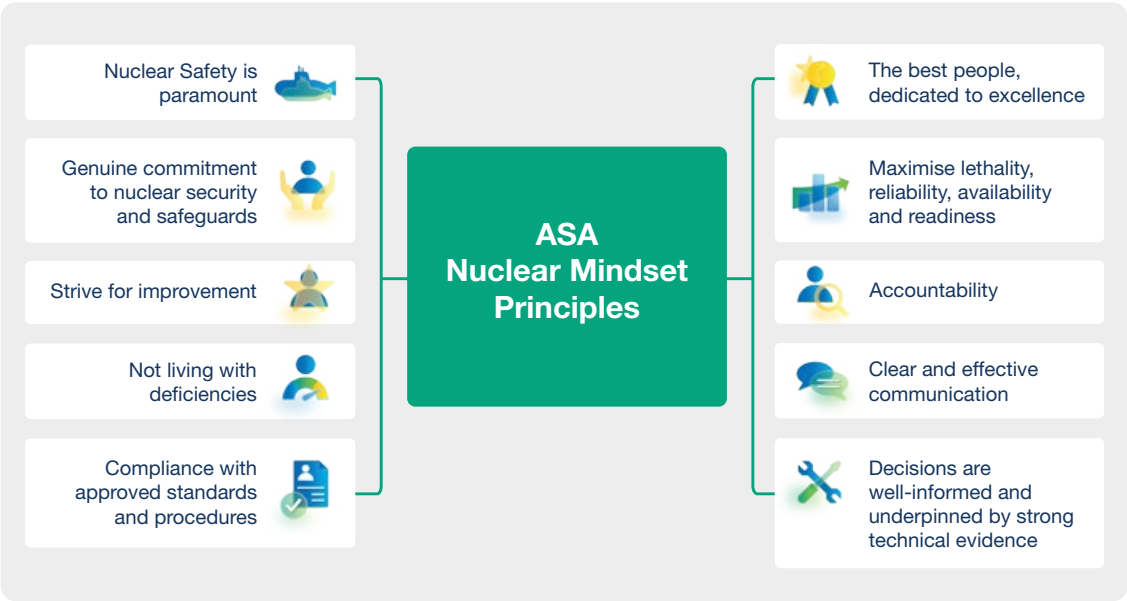


Figure 2: ASA Nuclear Mindset Principles.





8

Integrated Supply Chain Capability

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 (incorporating US and UK industry) 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 lifted its central supply function into a Supply Chain Capability Program in the latter part of 2024-25. This program is now stewarding delivery of ASC's Supply Chain Strategy.

Key AUKUS Industry Uplift Activity

Understanding supply chain demand for VCS, MCS and SSN AUKUS Build

ASC worked with the ASA and the wider ASIB and TSIB in 2024-25 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 five '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:

- **Wave 1:** Small valves and machined (pipe fittings).
- **Wave 2:** Anti-vibration mounts and additive manufacturing.
- **Wave 3:** Formed fittings, mechanical assemblies and castings.
- **Wave 4:** Machined parts, connector cable and assemblies, medium valves and forgings.
- **Wave 5:** Electro-mechanical components, structural fabrication and manifolds.

In 2024-25 ASC and the US shipbuilders (VCS builders Electric Boat (EB) and Huntington Ingalls Industries Newport News Shipbuilding (HII NNS)) initiated the process of taking over DIVQ leadership for wave three, and will execute it in 2025-26 through an in-country qualification

team consisting of ASC and US shipbuilders personnel. Initial requests for quotations were sent out in March 2025.

Qualifying 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 developed plans during the 2024-25 reporting period to embed supplier quality engineers and supply chain professionals into the DIVQ program to ensure knowledge transfer and build enduring capability.

The DIVQ program is also foundational for the UK's Astute Class program, and will be leveraged as appropriate by the SSN AUKUS Build Program. Supply chain demand for the SSN AUKUS is in the early stages of definition (see section below).

Various other complementary supporting initiatives also progressed 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 worked with H&B Defence and Honeywell to ensure a clear and coordinated approach to market.

Early SSN AUKUS industry uplift activities

While the SSN AUKUS Build Program is in the early phases of mobilisation and the platform still in design, the ASC and BAE Systems supply chain teams have been working with the ASA to identify early opportunities for Australian industry to participate in design (where possible) and/or the supply of critical submarine products or systems, either directly or in sub-tier supply chains.

In the first six months of 2025, ASC participated in several workshops with BAE Systems, the ASA and the UK Submarine Delivery Agency to review a list of complex and critical submarine products and systems utilising the ASA's Decision Making Framework. This provided an initial assessment of Australian industrial capabilities that can be used to determine the feasibility of product manufacture in Australia to support the SSN AUKUS build in the UK, Australia or both.

These initial workshops identified products as either:

- **Feasible** – Australian manufacture is possible;
- **Infeasible** – no capability exists to manufacture in Australia; or
- **Workshare** – there is an opportunity for Australian industry to participate in Original Equipment Manufacturer supply chains.

Enhancing 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. As at 30 June 2025 this initiative was 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 began developing a Strategic Capability Partner Panel in 2024-25.

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;
- depot-level maintenance development;
- supply chain uplift and qualification;
- security enhancement;
- technology transfer; and
- workforce planning.

Collins Class Supply Chain Activity

The global supply chain environment began to stabilise in 2024-25, with prices and lead times levelling out following earlier disruptions caused by the conflict in Ukraine.

Emerging risks were monitored closely, including as a result of:

- conflict in the Middle East, which resulted in minor freight delays during the reporting period; and
- new US trade tariffs (announced 1 February 2025), to which a small number of ASC's CCSM suppliers responded with adjusted pricing.

ASC continued to enhance its CCSM supplier relationships in 2024-25, with the establishment of key sustainment contracts for:

- ball valves and actuators;
- bespoke rubber products and anechoic tiles;
- power conversion equipment and electrical items;
- piping adaptors, couplings and threaded adaptors;
- high-pressure air compressors and components;
- in-situ and onboard precision machining; and
- sullage services.

Modern Slavery

ASC submitted its 2023-24 Modern Slavery Statement as required by the *Modern Slavery Act 2018* and it was approved and published by the Australian Border Force in February 2025.

The document charted ASC's progress in executing its three-year modern slavery risk management implementation plan (2023-25) and how the company has contributed to Australia's broader strategy to combat modern slavery in supply chains.

ASC's 2023-24 Modern Slavery Statement is downloadable from the company's website: asc.com.au/about-asc/company-reports



9

Work Health, Safety and Environment

Work Health, Safety and Environment

Throughout 2024-25, ASC continued to implement its WHSE Strategy 2024-27. The strategy involves stakeholders proactively across the workforce, improves processes and enables better two-way feedback and collaboration.

Five key principles underpin the strategy's delivery:

1. Information and awareness

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

2. Organisational collaboration and standardisation

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

3. Smart systems analysis reporting and governance

We report on systems and their constituent elements, and proactive WHSE performance, 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 behaviours to inspire our workforce.

5. Innovation and continuous improvement

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

ASC's WHSE Strategy 2024-27 will continue to drive activities, implement improvements, standardise ways of working and clearly define outputs to support ASC's workforce.

Key WHS Achievements

- Expanded the Safety Critical Risk program to include the reinvigoration of Operational Safety Risk (OSR) Working Groups, including representatives from the Senior Leadership team, operational SMEs and Health and Safety Representatives (HSRs). The OSR groups drive the periodic review of WHS incident and indicator data to assess the effectiveness of critical risk controls.
- Continued to deliver ASC's WHSE Risk Competency and Leadership training program to build capability and deepen understanding and knowledge in key areas.
- Refined and realigned WHSE committees and escalation processes, strengthening senior leadership oversight and engagement.
- Participated in Comcare's regional engagement program, including proactive inspections associated with consultation, cooperation and coordination.
- Implemented High Risk Work reviews and updates in Safe Work Method Statement processes to simplify risk assessments and improve frontline compliance.
- Developed and implemented an enhanced WHSE Activity Schedule to better define, track and communicate key areas of responsibility.
- Integrated an online WHSE ticketing system to manage and streamline queries and processes associated with inductions, confined space access, fire warden training, and HSR engagement.

- Embedded ongoing improvements to Emergency Response Group culture, systems and processes.
- Successfully completed first-round WHSE Graduate and Secondment programs in WA and SA, and subsequently implemented program refinements.

International entity establishment

In April 2024 ASC established subsidiaries in the UK (Australian Submarine Corporation Limited) and US (Australian Submarine Corporation, LLC). Throughout the 2024-25 reporting period the company took action to ensure ongoing integration of WHSE systems to support these new entities and ASC's expanding global workforce. This included, but was not limited to:

- embedding WHSE assurance processes;
- implementing safety management plans;
- ensuring hazard risk management;
- facilitating consultation, cooperation and coordination; and
- maintaining process alignment across international legislative WHSE frameworks.

These efforts enabled the effective deployment of ASC workers to UK and US shipyard worksites, facilitating ongoing collaboration with international stakeholders.

Psychosocial risk improvements

In alignment with its WHSE Strategy 2024-27, ASC developed and calibrated Psychosocial Hazard Risk Management improvements throughout 2024-25 through its internally established Psychosocial Risk Workgroup.

Key areas of focus were:

- consolidating information;
- enhancing workforce engagement;
- embedding psychometrics; and
- generating shared language and understanding.

Product of Concern

As part of ASC's broader response to the CCSM sustainment program's PoC listing, three key WHSE-related actions were taken:

1. Revision of monthly reporting dashboards to increase focus on leading indicators and provide insight on narrative behind metrics.
2. Reinvigoration of Take5 (a five-step risk assessment process) training and completion, and the introduction of a quality assessment measure to improve frontline risk awareness.
3. Broadening of weekly Leadership Walks' scope to more regularly include a wider pool of business leaders to encourage proactive safety leadership.

By the end of the reporting period all three actions had been progressed: action 3 was complete; actions 1 and 2 were 80% complete and on track to be finalised by their targeted due dates.

Notifiable safety incidents

The *Work Health and Safety Act 2011* (Cth) defines safety incidents that are deemed notifiable to Comcare (the national authority in work health and safety, and workers compensation). Under s. 35 of the Act, an incident is notifiable if it arises out of the conduct of a business or undertaking and results in death, serious injury or serious illness, or involves a dangerous incident.

During 2024-25, ASC notified Comcare of seven incidents: two resulted in serious personal injury or illness to ASC workers; five were considered ‘dangerous’ (see Table 1 below). Comcare elected not to investigate or implement formal action for any of the incidents.

Notifiable Incidents	2024-25	2023-24
Deaths	0	0
Dangerous incidents	5	4
Serious personal injury or illness	2	1
Total incidents	7	5

Table 1: ASC WHS notifiable incidents 2024-25 and 2023-24.

Lost-time injuries

A lost-time injury (LTI) is recorded when a worker is unable to present for their next scheduled workplace attendance due to a work-related injury.

ASC’s five-year WHSE strategy set a 10% reduction target for each financial year for total LTIs and the LTI frequency rate (LTIFR). The LTIFR for 2024-25 was 0.5 across all site-based workers including contractors, unchanged from 2023-24 (see Figure 3).

The LTIFR is a frequency rate determined via a rolling 12-month average calculation. While the rate remained steady during the reporting year, it reflects a broader trend toward achieving the strategic reduction target over the 2024-27 period.

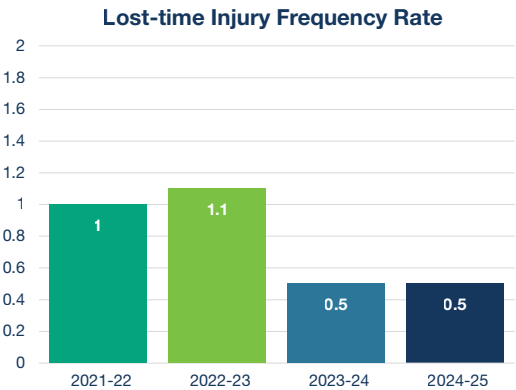


Figure 3: ASC LTIFR comparison.

LTIFR = number of LTIs x 1,000,000 divided by hours worked per month, expressed as a 12-month rolling average.

Medically treated injuries

A medically treated injury (MTI) is recorded when a worker is assessed as requiring medical attention from a health professional beyond the requirements of first aid.

ASC’s five-year WHSE strategy set a 20% reduction target in the company’s MTI frequency rate (MTIFR). The company’s 2024-25 MTIFR was 1.5 across all site-based workers, including contractors, representing a slight increase on the previous financial year (see Figure 4).

While this increase is noted, ASC continues to drive improvements through targeted safety initiatives and cultural change programs. These efforts reflect ASC’s proactive approach to risk management and continuous improvement.

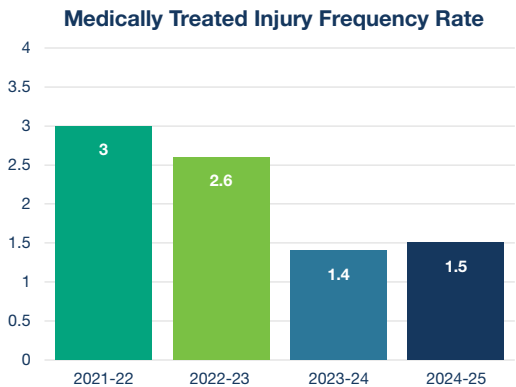


Figure 4: ASC MTIFR comparison.

MTIFR = number of MTIs x 1,000,000 divided by hours worked per month, expressed as a 12-month rolling average.

Recordable-injury frequency rate

The recordable-injury frequency rate (RIFR) captures the total number of LTIs and MTIs per million hours worked. ASC’s five-year strategy sets a 10% reduction target in the company’s RIFR for each financial year. The RIFR for 2023-24 was 1.9 across all site-based workers, including contractors; this rose to 2.1 for 2024-25, representing an 11% increase.

The RIFR is a frequency rate determined via a rolling 12-month average calculation. As with the MTIFR, this increase is noted, and ASC continues to drive improvements through targeted safety initiatives and cultural change programs.

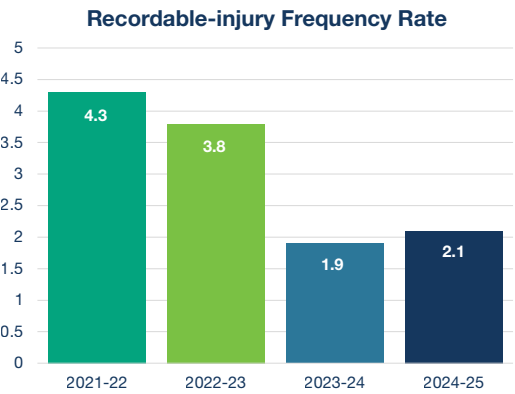


Figure 5: ASC RIFR comparison.

RIFR = number of LTIs plus MTIs per 1,000,000 hours worked, expressed as a 12-month rolling average.

Proactive reporting

In 2024-25 ASC began focusing on preventative measures as a means of reporting on proactive WHSE activities, providing a more mature and informative marker of proactive WHSE performance. These proactive measures include WHS Leadership Interactions, Critical Control Observations and Verifications, and Workplace Inspections (WPI).

ASC achieved a 78% collective completion rate against the first three measures during the reporting period (grouped together as a

‘Leadership Observations’ key performance indicator (KPI)), and a WPI completion rate of 88%.

Environmental Performance

ASC is committed to protecting the natural environment and ensuring proactive environmental management is integrated throughout all areas of the business.

In line with evolving stakeholder expectations and regulatory requirements, ASC’s efforts throughout 2024-25 remained focused on continuous improvement of the company’s Environmental Management System.

Key achievements included:

- implementation of an updated Environmental Policy and Environmental Management Framework to further align with best-practice principles;
- increased ExCo oversight, including the introduction of a dedicated biannual Environmental Management Review forum;
- proactive engagement with AUKUS program stakeholders to formalise environmental controls required to support SSN sustainment activities;
- refinement of ASC’s greenhouse gas (GHG) emissions monitoring and reporting framework in alignment with Commonwealth Climate Disclosure (CCD) requirements and ASC’s Sustainability Program; and
- development of a company-first Environmental Critical Risk Program framework (to be implemented across the business during 2025-26).

ASC continued to proactively seek opportunities to minimise resource consumption and maximise efficiency across its operations.

Sustainability

ASC's Sustainability Program integrates Environmental, Social and Governance (ESG) principles with corporate strategy and aligns with the company's overarching five-year plan.

This includes 17 material ESG themes that are being progressively implemented and embedded into the organisation's strategic priorities between 2024-25 and 2027-28. In the 2024-25 reporting period ASC started this process with a focus on nine of the 17 themes.

Each theme is supported by defined sustainability indicators, allowing progress tracking and measurement. This ensures performance remains aligned with established five-year targets and industry benchmarks.

The 17 themes are structured under three ESG pillars:

Environmental themes

ASC recognises the urgent need to act on climate change, reduce environmental impacts and transition to a low-carbon economy. Measuring the company's Scope 1 and 2 emissions and operational Scope 3 emissions helps to identify areas for decarbonising, and a key focus moving forward will be incorporating themes that strengthen strategies for mandatory climate-related financial disclosures.

To enable the effective management of its impacts and dependencies on nature, minimise harm and create a positive impact, ASC will focus on:

- energy use and GHGs*;
- climate risks and opportunities;
- waste management;
- water management; and
- protecting biodiversity and ecosystems.

Social themes

ASC is focused on positively impacting the people and community it engages with by:

- strengthening its culture of health and safety*;
- further increasing employee engagement and wellbeing*;
- enhancing workforce diversity and inclusion (D&I)*;
- expanding its talent pipeline*;
- attracting and retaining the right talent*;
- and
- engaging with the community.

Governance themes

To support the company in establishing a robust governance framework that promotes transparency and accountability, and upholds ethical decision-making and risk management that drives performance, ASC is focused on strengthening:

- ethics and accountability*;
- information security*;
- supply chain sustainability;
- delivery of quality and safe assets;
- risk management and compliance; and
- corporate governance.

All themes marked with an asterisk (*) were prioritised for action in 2024-25. Remaining themes will be phased in over the next few years.

Executive sponsors are assigned to each sustainability pillar, and SMEs from relevant business areas have been assigned to coordinate activities for each theme.

The SMEs also form an ESG Working Group, through which they report progress to the ASC ExCo and the Board's Business Assurance and Security Committee (BASC).

See [People and Culture](#) and [Corporate Governance](#) for more information on ASC's social and governance activities.

Greenhouse Gas Emissions

As part of the Net Zero in Government Operations Strategy, and the reporting requirements under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), ASC is required to report operational GHG emissions.

The GHG Emissions Inventory and Electricity GHG Emissions tables below present ASC's GHG emissions over the 2024-25 financial year. The results are calculated based on carbon-dioxide-equivalent (CO2-e) emissions in accordance with the CoA's Emissions Reporting Framework. This is consistent with a Whole-of-Australian Government approach (outlined in the Net Zero in Government Operations Strategy) and CCD requirements.

ASC's emissions boundary includes facilities located in Adelaide and Osborne, SA, and Henderson and Bibra Lake, WA.

The reported emissions are the cumulative emissions of these facilities, plus any shared emissions (e.g. flights) attributed proportionately, resulting in an emissions breakdown of approximately 65% to ASC North and 35% for ASC West. Emissions associated with support facilities and offices located on the Defence Estate have been included in reporting completed by the DoD. A portion of ASC's emissions from electricity consumption and waste production was unable to be separated from landlord activities and has not been quantified.

Natural gas and electricity data was apportioned using a daily average where billing cycles did not align with the end of the financial year. To maintain consistency, this approach was applied to hire car and accommodation bookings to only include activities occurring within financial year 2024-25. The apportioning of

2024-25 Greenhouse Gas Emissions Inventory – Location-Based Method

Emissions source	Scope 1 t CO2-e	Scope 2 t CO2-e	Scope 3 t CO2-e	Total t CO2-e
Electricity	N/A	4,906.74	859.90	5,766.64
Natural gas ¹	246.24	N/A	51.13	297.37
Solid waste	-	N/A	562.29	562.29
Refrigerants ²	-	N/A	N/A	-
Fleet and other vehicles	62.25	N/A	16.46	78.71
Domestic commercial flights	N/A	N/A	1,040.76	1,040.76
Domestic hire car ³	N/A	N/A	219.11	219.11
Domestic travel accommodation	N/A	N/A	216.64	216.64
Other energy	95.52	N/A	27.86	123.38
Total t CO2-e	404.01	4,906.74	2,994.15	8,304.90

Table 2: ASC's 2024-25 GHG emissions inventory – location-based method.

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO2-e = carbon dioxide equivalent.

¹Natural gas is apportioned between tenants of the defence district at Osborne, SA, and requires a baseline adjustment for 2023-24.

²ASC does not meet the reporting thresholds for refrigerants in 2024-25. Refer to the Emissions Reporting Framework for details.

³Indicates emission sources collected for the first time in 2024-25.

hire car and accommodation bookings differs from the Emissions Reporting Framework, which acknowledges emissions of the entire booking if the booking commenced in the reporting financial year. ASC is reporting hire car emissions for the first time in 2024-25, as the Australian Public Service (APS) Net Zero Emissions Reporting Framework has evolved.

ASC will engage with Climate Action in Government Operations to update the company's 2023-24 baseline to correct miscalculated emissions (e.g. natural gas) and include newly quantified emissions sources.

Refrigerant emissions have not been included as ASC does not meet the reporting thresholds for refrigerants in 2024-25.

ASC will further expand on its GHG emissions reporting during 2025-26 in preparation for compliance with the Australian Accounting Standards Board (AASB) S2 *Climate-related Disclosures* standard. ASC will continue to work collaboratively with internal and external stakeholders to identify opportunities to optimise its emissions profile, moving towards net zero over time.

2024-25 Electricity Greenhouse Gas Emissions

Emissions source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity (kWh)
Location-based electricity	4,906.74	859.90	5,766.64	16,384,914.35
Market-based electricity	10,856.98	1,474.40	12,331.38	13,403,679.19
Total renewable electricity consumed	N/A	N/A	N/A	2,981,235.17
Renewable power percentage ¹	N/A	N/A	N/A	2,981,235.17
Jurisdictional renewable power percentage ^{2, 3}	N/A	N/A	N/A	-
GreenPower ²	N/A	N/A	N/A	-
Large-scale generation certificates ²	N/A	N/A	N/A	-
Behind-the-meter solar ⁴	N/A	N/A	N/A	-
Total renewable electricity produced	N/A	N/A	N/A	-
Large-scale generation certificates ²	N/A	N/A	N/A	-
Behind-the-meter solar ⁴	N/A	N/A	N/A	-

Table 3: ASC's 2024-25 electricity GHG emissions.

Note: The table above presents emissions related to electricity usage using both the location-based and market-based accounting methods. CO₂-e = carbon dioxide equivalent. Electricity usage is measured in kilowatt hours (kWh).

¹Listed as 'Mandatory renewables' in 2023-24 Annual Reports. The renewable power percentage accounts for the portion of electricity used from the grid that falls within the CoA's renewable energy target.

²Listed as 'Voluntary renewables' in 2023-24 Annual Reports.

³The Australian Capital Territory is currently the only state or territory with a jurisdictional renewable power percentage.

⁴Reporting behind-the-meter solar consumption and/or production is optional. The quality of this data is expected to improve over time as emissions reporting matures.

Environmental Incidents

ASC's operations are subject to environmental regulation under both federal and state legislation. The company recognises its obligation to comply with all relevant environmental protection and conservation acts. Accordingly, ASC records, investigates and reports any regulatory breaches or notifiable incidents to the respective regulator.

ASC recorded two externally notifiable environmental incidents during August 2024, resulting from the uncontrolled release of scheduled fire-suppressant gases. Both notifiable events were reported to the Fire Protection Industry Board (FPIB) in accordance with the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* (Cth). The FPIB elected not to investigate or implement formal action for either of the incidents.

ASC continues to proactively manage environmental hazards, risks and minor incidents using WHS-aligned systems and processes, including the identification, implementation and ongoing review of appropriate corrective and preventative actions.

Environmental Licences

ASC holds several environment-related licences and permits for its operations in SA (ASC North) and WA (ASC West).

ASC North

- ASC Pty Ltd SA EPA Licence 1367
- ASC Pty Ltd SA EPA Exemption 50766
- SA Water Trade Waste Discharge Permit T205875
- HALON Special Permit HSP16745
- Refrigeration Trading Authorisation AU09911

ASC West

- Department of Environment Regulation Registration 1981
- Water Corporation Trade Waste Permit 22792
- HALON Special Permit HSP16745
- Refrigeration Trading Authorisation AU09911

Relevant instrument	2024-25	2023-24
<i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> (Cth)	2	0
<i>Environment Protection Act 1993</i> (SA)	0	0
<i>Environmental Protection Act 1986</i> (WA)	0	0
Total incidents	2	0

Table 4: ASC notifiable environmental incidents 2024-25.





10

Security

Security

ASC recognises the critical role that security plays in enabling the company to achieve its purpose and maintain its 'licence to operate'. The company 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 the CoA's 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.

Protective Security

ASC remains committed to maintaining robust security management systems to safeguard personnel, information, assets and operations.

The company continued to enhance its protective security posture and critical capability throughout the 2024-25 reporting period.

This was achieved through a layered approach encompassing five activities:



Figure 6: ASC's key protective security activities.

Governance and Risk Management

Protective security governance continued to be strengthened during 2024-25 through regular reviews of security risks and controls. ASC's security governance framework complies with all legislative, regulatory and contractual obligations.

Personnel Security

All personnel undergo regular security screening appropriate to their roles. They also undertake ongoing awareness training to understand and identify the threats and risks they may encounter, and how they can help counter them.

Cybersecurity

Cybersecurity is a foundational pillar of digital infrastructure and a key focus for ASC. Given the strategic sensitivity of submarine technologies, ASC continues to invest in cyber-defence capabilities to protect against espionage, sabotage and cyber-attacks.

Ultimately, the digital infrastructure underpinning Australia's submarine capability must be as advanced and resilient as the submarines themselves. This will serve as a critical enabler of technological sovereignty and a strategic asset in its own right – ensuring that Australia can operate, maintain and evolve its submarine fleet securely and independently in the digital landscape.

ASC is part of the nation's critical infrastructure, and a key player in the defence industrial base. It prioritises best-practice cybersecurity as a foundation of its licence to operate. The company's cybersecurity capability is agile and efficient, with objectives and resources aligned to five key areas of activity (see Figure 7); significant human and technological enhancements were delivered in each during 2024-25.

Cybersecurity 5 Key Actions



Identify – Identify and manage cyber security risk to the organisation.



Protect – Protect the organisation's people, data, technology and processes.



Detect – Detect cyber attacks and anomalous activities, including insider threats.



Respond – Degrade, contain and stop active cyber attacks and learn from the past.



Recover – Minimise the impact of cyber incidents on the organisation.

Figure 7: ASC's key cybersecurity activities.

Outlook

ASC will continue to adapt to the evolving threat environment by prioritising proactive security risk management, investing in resourcing and technology, and embedding a security-conscious culture throughout the business.





11

Social Licence

Social Licence

ASC is committed to building a resilient, responsible and future-focused organisation that contributes meaningfully to Australia's national security, industrial capability and community wellbeing.

Throughout the 2024-25 reporting period, the company has continued to embed environmental sustainability, uphold integrity and strengthen its social licence across all areas of the business.

Social licence refers to the ongoing acceptance, approval and endorsement from the community and stakeholders for an organisation's activities or projects. Earning and maintaining social licence requires the creation of 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.

Every ASC employee plays a vital role in building and maintaining social licence, whether through interactions with colleagues, community members, suppliers or government representatives. It's a long-term commitment that requires continuous effort and engagement.

External Engagement and Strategic Initiatives

Recognising that its people are its strongest advocates, ASC has taken a collaborative approach to both internal and external engagement. Key milestones during the reporting period included:

- establishing ASC's CSR function;
- developing ASC's CSR Strategy, aligning company values with community expectations; and
- strengthening trust and accountability through enhanced stakeholder engagement, governance and reporting practices.

Additionally, ASC worked closely with fellow SSP BAE Systems and the ASA to jointly:

- undertake community engagement activities to ensure regular and transparent communication about the SSN AUKUS Build Program; and
- develop guiding principles for ongoing stakeholder engagement, and to manage key risks and leverage opportunities that may arise.

Commitment to Reconciliation

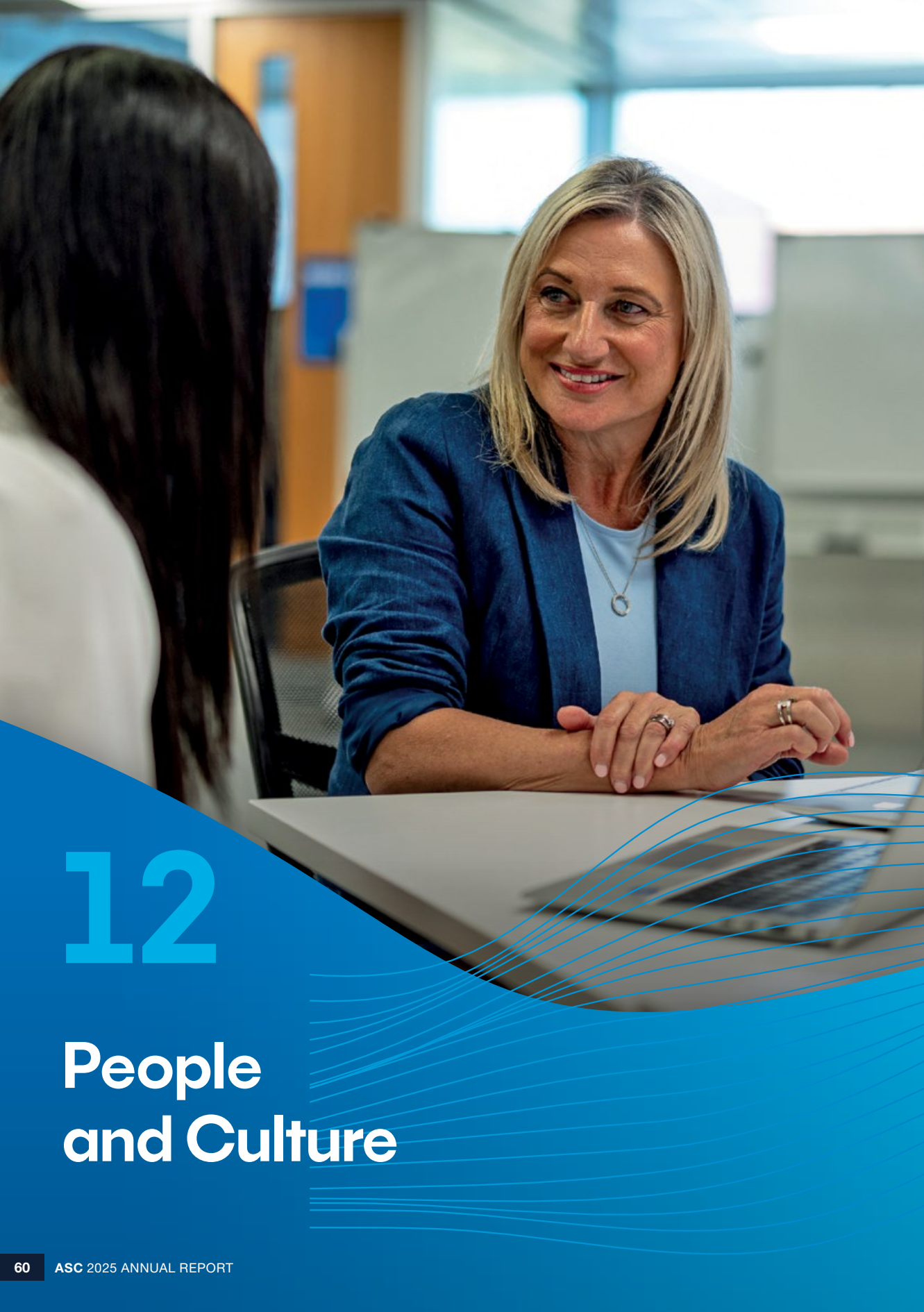
Building trusted relationships with Traditional Owners and Aboriginal and Torres Strait Islander Leaders is essential to ASC's social licence. The company is committed to contributing meaningfully to Australia's reconciliation journey by:

- deepening personnel's understanding of Aboriginal and Torres Strait Islander cultures and histories;
- creating culturally safe workplaces for Aboriginal and Torres Strait Islander colleagues; and
- collaborating on opportunities for Aboriginal and Torres Strait Islander employment and economic participation.

ASC's 2023-25 *Innovate* Reconciliation Action Plan (RAP) concluded in May 2025. The company will continue its reconciliation journey with a second *Innovate* RAP (2025-27), reinforcing its long-term commitment to respectful engagement and inclusion.







12

People and Culture

People and Culture

ASC's People and Culture (P&C) Strategy ensures the company has the required human capital to achieve its operational and strategic goals.

During 2024-25, ASC's permanent workforce grew to 2,627. At 30 June 2025, ASC was employing a total of 150 apprentices (up from 122 in June 2024) and 135 graduates (up from 76 in June 2024).

The company was successful in meeting its established staff-retention performance target for the period: maintaining a voluntary unplanned staff turnover rate of less than 10%. Its 12-month rolling turnover figure was just 7.8%.

Key Achievements

A range of initiatives were undertaken in 2024-25 to support CCSM Program delivery and build a future workforce to support the CoA's SSN Program. This included:

- continuing to enhance ASC's employer brand to aid recruitment and retention and promoting it nationally through the 'A Deeper Purpose' marketing campaign, as well as internally to ASC's existing workforce;
- growing all areas of the ASC workforce, but particularly Engineering, Operations and support functions;
- continuing to grow ASC's early-careers cohorts, maintaining increased engagement of engineering graduates and apprentice intakes and the implementation of a second corporate graduate intake;
- progressing the development of competency frameworks for Engineering, Operations, Program Management and Supply, and plans for their implementation;
- continuing with the development of technical training frameworks across Engineering and Operations;
- deploying over 160 employees to the PHNSY to build SSN sustainment capability;
- conducting a range of activities to support future SSN program requirements and manage CCSM risks, including:
 - workforce planning;
 - ongoing amendments of ASC's Global Mobility Framework to attract and retain international deployees;
 - managing US and UK deployments in accordance with ASA requirements;
 - developing and executing external advertising campaigns to attract candidates across Australia to undertake international deployments; and
 - working on the establishment of ASC entities in the US and UK; and
- continuing to develop ASC's leadership capability through the Leading at ASC, Emerging Leaders and Transformational Leadership programs.

ASC Permanent Workforce by Gender, Location and Employment Status, at 30 June 2025

	Male			Female			Total
State	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	2	0	2	0	0	0	2
QLD	2	0	2	1	0	1	3
SA	1,319	29	1,348	360	37	397	1,745
TAS	0	0	0	1	0	1	1
VIC	4	0	4	1	0	1	5
WA	532	7	539	144	18	162	701
ACT	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0
Overseas	157	0	157	13	0	13	170
Total	2,016	36	2,052	520	55	575	2,627

Table 5: ASC permanent workforce by gender, location and employment status at 30 June 2025.

Diversity and Inclusion

Recognising that workplace D&I contributes to positive employee experiences, supports career development and encourages employee retention, ASC continued to deliver on its D&I initiatives during 2024-25.

Key D&I achievements included:

- continuing to support parents through the provision of competitive paid parental leave, childcare support for primary caregivers and paid superannuation for unpaid parental leave;
- gaining continued endorsement from Work180 as an Employer of Choice for all Women;
- leveraging an ongoing partnership with Pride in Diversity to enhance workplace inclusion for LGBTQA personnel;
- concluding ASC’s first *Innovate* RAP and committing to a second iteration;
- increasing the participation of women in the ASC workforce to 22% (up from 19.21% in 2023-24); and
- reducing the turnover rate among women to 5.8% (down from 8.6% in 2023-24).

Organisational Learning and Development

Throughout 2024-25, ASC remained committed to empowering its employees to reach their full potential. Major organisational learning and development activity included:

- delivering leadership and talent-development programs across all leadership cohorts with bespoke programs for emerging leaders and those in middle to senior leadership roles;
- uplifting the ASC technical learning and development team's capability and capacity through recruitment and upskilling;
- developing technical training programs to accelerate knowledge transfer and mitigate risks in critical skills areas within the workforce;
- developing onboarding programs in support of ASC core capabilities, reducing time to competency for new hires and improving employee experience;
- supporting the deployment of ASC personnel to train with overseas partners in preparation for ASC's SSP and SSSP roles;
- visiting SSN-industry-related learning centres in the UK and US to assist in the transfer of knowledge and skills to support Australia's SSN programs;
- supporting expanded cohorts coming to ASC through the CoA's ECP, including in traineeships, apprenticeships, corporate and engineering graduate programs, and an undergraduate engineering program;
- leveraging improvements made available through the DTP and embedding new software and systems;
- uplifting training capability through improved systems, tools and processes;
- identifying training product requirements to meet LOTE workforce training needs and establish development schedule;
- further investing in ASC's Learning Centre at Port Adelaide;
- developing additional capability at ASC's Quill Way trade training facility in Henderson, WA; and
- strengthening collaboration with the RAN's STSC.

Nuclear Culture

ASC has a requirement to evolve its culture to operate in a nuclear environment, which will bring significantly greater complexity, risk consequence and regulation. The company's response to this during 2024-25 is detailed in [Nuclear Preparedness](#).

Industrial Relations

Enterprise Agreements

ASC finalised negotiations for two significant EAs in the reporting period.

- After an extensive negotiation period, and ongoing PIA taken by employees, ASC was able to resolve negotiations for the ASC Pty Ltd (South Australia) Enterprise Agreement 2024.
- The ASC Pty Ltd (Western Australia) Enterprise Agreement 2024 was resolved late in 2024, with minimal disruption to the organisation.
- The ASC Pty Ltd Enterprise Agreement Production Team Leads ASC North 2024 was resolved in early 2025, with minimal disruption to the organisation.
- Negotiations were initiated for a Support and Test Equipment EA to cover warehouse employees in WA. These discussions are ongoing and are not expected to cause significant disruption.

ASC Enterprise Agreements in place at 30 June 2025

Agreement	Coverage	Expiry
ASC Pty Ltd (South Australia) Enterprise Agreement 2024	Warehouse and Trade employees whose primary place of employment is in SA (around 350 employees).	26 March 2028
ASC Pty Ltd Enterprise Agreement Production Team Leads ASC North 2024	Operations Team Lead employees whose primary place of employment is in SA (around 30 employees).	31 January 2029
ASC Pty Ltd (Western Australia) Enterprise Agreement 2024	Trade employees whose primary place of employment is in WA (around 250 employees).	7 January 2028
ASC Pty Ltd (Western Australia) Team Leads Enterprise Agreement 2022	Operations Team Lead employees whose primary place of employment is in WA (around 20 employees).	3 July 2026
ASC Pty Ltd (Western Australia) Submarine Safety and Certification Group Enterprise Agreement 2023	Submarine Certification Group employees whose primary place of employment is in WA (around 20 employees).	1 July 2026
ASC Pty Ltd (Western Australia) Trade Planning Enterprise Agreement 2023	Trade Planning employees whose primary place of employment is in WA (around 10 employees).	22 April 2028

Table 6: ASC EAs at 30 June 2025.





13

Corporate Governance

Corporate Governance

ASC is a proprietary company limited by shares and registered under the *Corporations Act 2001*. It is subject to the *Public Governance, Performance and Accountability Act 2013*. All shares issued in the capital of ASC are owned by the CoA, acting through the DoF. The ASC Group's structure is shown in Figure 8.

On 11 June 2004, ASC was proclaimed as a Government Business Enterprise (GBE) under the then *Commonwealth Authorities and Companies Act 1997*. ASC remains a GBE pursuant to s. 5(2)(a) of the *Public Governance, Performance and Accountability Rule 2014*. ASC is a Commonwealth company.

Group Structure

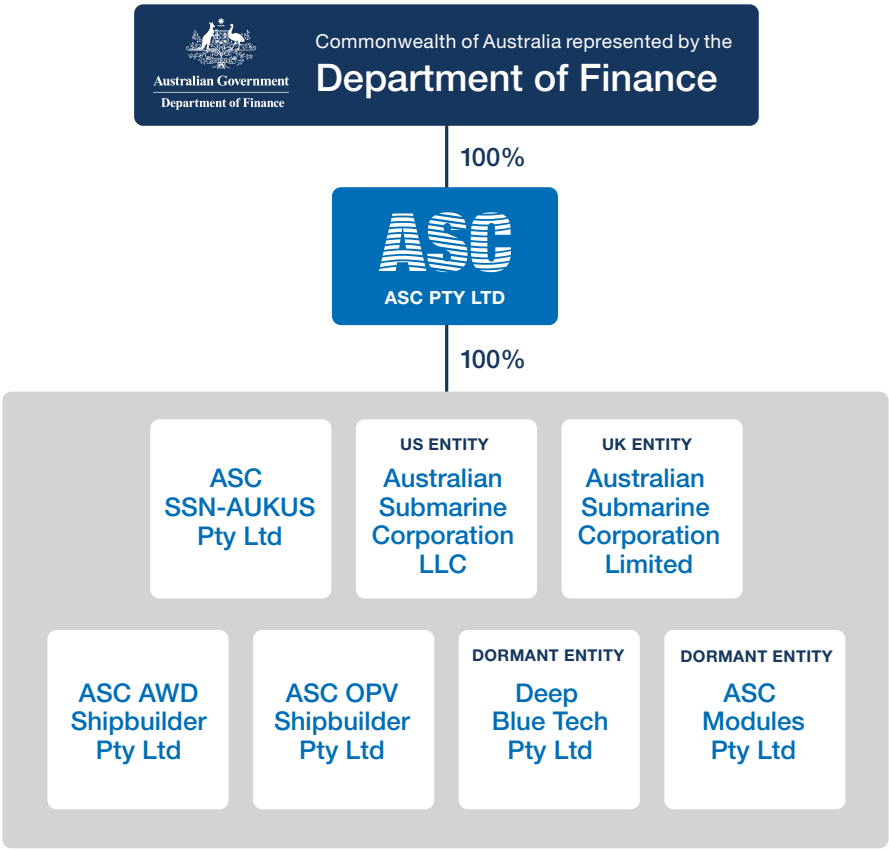


Figure 8: ASC Group structure.

Directors

ASC's directors are appointed to the company's Board for a term by the Minister for Finance.
ASC's Board composition during 2024-25 was as follows:



**Bruce
Carter AO**
Chair

MBA, FICA, FAICD, BEc
Appointed: 1 January 2010

Bruce is a long-serving Director and Chair of ASC, joining the Board in 2010 and overseeing ASC's successful transformation to a high-performing submarine sustainment company following the Coles Review in 2012.

Bruce was appointed ASC Chair in October 2012 and reappointed in 2015, 2018, 2021 and 2023.

Bruce is currently a Director of AIG Australia Ltd (Chair) and Lovisa Holdings Ltd. He is a former Partner of Ferrier Hodgson and Ernst and Young, and a former Director of Genesee & Wyoming Inc (NYSE), Crown Resorts Ltd and Bank of Queensland Ltd.



**Geoff
Rohrsheim**
Non-Executive
Director

BE (Hons) (Aerospace), MEngSc, GAICD
Appointed: 15 March 2019

Geoff has successfully established several innovative businesses in the IT sector and has significant experience as a company director.

He joined the ASC Board in 2019 and served as Deputy Chair from March 2022 to March 2025.

After completing studies in aerospace engineering at the Australian Defence Force Academy, Geoff served in Defence across various roles, including aircraft maintenance, fatigue management and IT.

Geoff is involved in multiple leadership roles across various technology ventures and has been recognised for leadership and innovation with the Pearcey Foundation's SA Entrepreneur Award in 2017 and EY's Entrepreneur of the Year for the southern region in 2006.

He is a former Board member of the Australian Cyber Collaboration Centre, Alcidion Corporation (ASX:ALC), Seeley International, Business SA (South Australian Chamber of Commerce and Industry) and RAA Insurance.



**Dr Janis
Cocking PSM**
Non-Executive
Director

BSc (Hons), DEng, PSM, FTSE
Appointed: 24 January 2023

Janis spent more than 40 years with the Defence Science and Technology Group (DSTG) and its predecessors, undertaking and leading science and technology programs, particularly in the maritime domain.

A world-recognised undersea technology expert, she was previously DSTG Chief, Maritime Division and Chief, Science Strategy and Program Division. Janis is a former Board member of the Australian Maritime College of the University of Tasmania.

Janis received an Institute of Public Administration Centenary Medal for her work supporting the CCSMs. Her outstanding contributions to defence science and technology have also been recognised through a Public Service Medal in 2018, and DSTG's establishment of the Janis Cocking Leadership Award in 2019.



Loretta Reynolds
Non-Executive Director

FAICD, SFFin, IP, GDLP, LL.B, BEc
Appointed: 9 February 2016

Loretta is a Partner and Chair of national corporate law firm Thomson Geer. Offering more than 25 years' experience in the legal sector, she specialises in projects, mergers and acquisitions and complex transactional work.

Loretta is also a Non-Executive Director of infrastructure advisory and project management company RP Infrastructure and a member of the Business Advisory Group for Anacacia Capital.



Alice Williams
Non-Executive Director

BCom, FCPA, FAICD, CFA
Appointed: 18 April 2023

Alice has over 30 years' senior management and board-level experience, specialising in major-project governance, investment management, corporate advisory and equity fundraising. She has particular expertise in technology and cybersecurity governance and transformational technology projects.

Alice is a former Director of NM Rothschild and Sons (Australia) Limited, Vice-President of JP Morgan Australia, and Non-Executive Director for such organisations as Cooper Energy, Defence Health, Telstra Sale Company Limited and the AASB.

She has served as Commissioner for the Victorian Competition and Efficiency Commission, Chair of the 2004 Wheat Marketing Review Panel and as a member of the Foreign Investment Review Board.

Alice is currently a Non-Executive Director of Mercer Investments Australia Ltd, Vocus Group, ProMedicus and Tobacco Free Portfolios, and a Director of Swimming Australia Limited and Swimming Australia Foundation Limited.



Dr Rosalind Dubs
Non-Executive Director

BSc (Hons), Dr ès Sc, FTSE, FAICD
Appointed: 1 May 2013
Ceased: 31 December 2024

Rosalind served as a Non-Executive Director on the ASC Board for over 11 years, with her appointment ceasing on 31 December 2024.

Among her other former leadership roles, she was most recently a Non-Executive Director of SmartSat CRC Ltd, and Chair of the iLaUNCH Advisory Board.

Rosalind's extensive experience also includes positions as: Director of Aristocrat Leisure Limited, the Taronga Conservation Society, ANU Enterprise Pty Ltd, Astronomy Australia Ltd, Science in Australia Gender Equity (SAGE) Ltd, and Structural Monitoring Systems Plc; Deputy Vice-Chancellor (External Relations) at University of Technology Sydney; and senior executive roles with Thales SA (in Germany, France and Australia), Airservices Australia, the Australian National University, and CSIRO.

Directors



**Stuart
Whiley AM**
Managing
Director

BSc (Hons), FIEAust, CPEng, GAICD
Appointed: 12 February 2018

Stuart was appointed Managing Director (MD) and Chief Executive Officer (CEO) of ASC Pty Ltd in February 2018, after holding the position of Interim CEO from July 2014.

His career with ASC spans more than 35 years, during which time he has held various submarine program, project, schedule and systems engineering roles. In 2005 he was appointed General Manager, Collins Class

Submarines and became responsible for the delivery of CCSM support services in SA and WA.

Prior to immigrating to Australia from the UK in 1988, Stuart held a number of engineering roles at BAE, Admiralty Research Establishment and Dowty working in a naval/weapons environment.

In the 2025 King’s Birthday Honours List, Stuart was made a Member of the Order of Australia (AM) for significant service to the Defence Naval Industry.

He was also awarded an honorary doctorate by Flinders University in July 2025, recognising his outstanding contributions to Australia’s sovereign submarine capability and his leadership of the Collins and AUKUS defence programs.

Stuart announced in 2024 that he will not seek a new contract at the end of his current term.



Attendance

The ASC Board meets as often as required. During 2024-25 it met 11 times, including two out-of-session meetings¹. Members of the ASC ExCo and other senior managers attend by invitation.

All Board committees provide a standing invitation for any Director to attend their meetings (rather than limiting attendance to committee members). Committee agendas and papers are provided to all Directors to ensure they're aware of matters to be considered.

Director	Board (including 2 x out-of-session) ¹			Audit Committee			Human Resources and Remuneration Committee			Business Assurance and Security Committee		
	Held	Eligible	Attended	Held	Eligible	Attended	Held	Eligible	Attended	Held	Eligible	Attended
Bruce Carter AO	11	11	11	-	-	-	5	5	4	4	4	4
Geoff Rohrsheim	11	11	11	-	-	-	-	-	-	4	4	4
Dr Rosalind Dubs ²	11	5	4	4	3	2	-	-	-	4	2	1
Loretta Reynolds	11	11	10	4	4	4	5	5	5	-	-	-
Dr Janis Cocking PSM	11	11	11	-	-	-	5	4	4 ³	4	4	4
Alice Williams	11	11	10	4	4	4	-	-	-	-	-	-
Stuart Whiley AM	11	11	10 ⁴	-	-	-	-	-	-	-	-	-

Table 7: ASC Board and committee meeting attendance 2024-25.

1. The two out-of-session meetings took place on 10 January and 12 June 2025. There were also three Board Circulating Resolutions on 17 December 2024 and 24 January and 16 May 2025.

2. Dr Rosalind Dubs served as a Non-Executive Director until her cessation as a member of the Board, the BASC and Audit Committee on 31 December 2024.

3. Dr Janis Cocking PSM commenced as a member of the Human Resources and Remuneration Committee (HRRC) on 5 August 2024.

4. Stuart Whiley AM did not attend one of the unscheduled out-of-session Board meetings, as it was called to consider his remuneration.

Board Committees Membership

Audit Committee	Business Assurance and Security Committee	Human Resources and Remuneration Committee
Alice Williams (Chair) Loretta Reynolds Dr Rosalind Dubs (ceased 31 December 2024)	Geoff Rohrsheim (Chair) Bruce Carter AO Dr Rosalind Dubs (ceased 31 December 2024) Dr Janis Cocking PSM	Loretta Reynolds (Chair) Bruce Carter AO Dr Janis Cocking PSM (commenced August 2024)

Table 8: ASC Board and Committee membership 2024-25.

Ministerial Directions

In accordance with its constitution, ASC is subject to direction by the Minister for Finance. The Minister gave ASC no directions during 2024-25.

Corporate Governance

ASC has adopted a corporate governance protocol which establishes:

- charters for the Board, Audit Committee, HRRC and BASC; and
- a Code of Conduct.

The Board monitors performance against its corporate governance objectives at each Board meeting. It also conducts full performance reviews every year, alternating between internal and external reviews. The most recent reviews were undertaken:

- externally in November 2023; and
- internally in November 2024.

ASC Board Charter

Under the ASC Board Charter, the Board is responsible for:

- overseeing the ASC Group, including control and accountability systems;
- appointing ASC's MD and Company Secretary, monitoring their performance and, where appropriate, removing them;
- approving other executive appointments, organisational changes and senior management remuneration policies and practices;
- monitoring and reviewing senior management's performance and strategy implementation, and ensuring they're appropriately resourced;
- providing strategic advice to management;
- determining the ASC Group's strategy and monitoring its performance against agreed objectives;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures, as well as financial and other reporting;
- approving budgets and other KPIs, reviewing ASC Group's performance against them, and monitoring the implementation of corrective action;
- reviewing and ratifying systems of risk management, internal control and legal compliance to ensure appropriate frameworks are in place;
- reviewing and overseeing the implementation of ASC's Code of Conduct for directors and executives;

- appointing ASC Board committees and approving their composition and any charters;
- monitoring and verifying compliance with legal and regulatory requirements, ethical standards and policies;
- exercising due diligence to ensure ASC complies with its work health and safety obligations, including by taking reasonable steps to:
 - acquire, and keep up to date, knowledge of work health and safety matters;
 - understand the nature of ASC's operations and associated hazards and risks;
 - ensure appropriate resources are available, and processes implemented, to identify hazards and eliminate or minimise risks;
 - ensure ASC has appropriate processes for receiving and considering information regarding incidents, hazards and risks, and responding in a timely way;
 - ensure the business implements processes for complying with work health and safety laws, regulations and codes of practice; and
 - verify the provision, and use, of the resources and processes referred to above.

The ASC Board Charter can be downloaded at: www.asc.com.au/about-asc/corporate-governance

Audit Committee

The Audit Committee assists the ASC Board in achieving its objectives relating to:

- financial and performance reporting;
- financial risk oversight and management;
- annual budgeting and forward forecasts;
- the application of accounting policies;
- internal control;
- maintaining and improving the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);
- establishing and overseeing effective internal and external audit functions and communication between the Board and auditors, both internal and external, in compliance with all applicable laws; and
- verifying that financial compliance strategies and functions are effective.

At 30 June 2025 the committee consisted of Alice Williams (Chair) and Loretta Reynolds. For further information about the Audit Committee, visit: www.asc.com.au/about-asc/corporate-governance

Human Resources and Remuneration Committee

The HRRC assists the ASC Board in fulfilling its corporate governance and oversight responsibilities relating to the company's people strategy. This includes:

- remuneration components;
- performance measurements and accountability frameworks;
- recruitment and retention;
- talent management; and
- succession planning.

At 30 June 2025 the committee consisted of Loretta Reynolds (Chair), Bruce Carter AO and Dr Janis Cocking PSM. Dr Cocking commenced as a committee member on 5 August 2024.

Business Assurance and Security Committee

The BASC's objectives are to ensure:

- adequate systems are in place for the effective identification and assessment of all areas of potential material business risks, other than those arising from financial reporting and accountability (being risks considered by the Audit Committee);
- adequate policies, processes and procedures have been designed and implemented to manage identified material risks;
- appropriate action is undertaken to bring the identified material risks within ASC Group's risk tolerance levels;

- adequate systems are in place for the effective management of physical security and cybersecurity;
- a culture of compliance is being promoted; and
- compliance strategies and functions are effective.

At 30 June 2025 the committee consisted of Geoff Rohrsheim (Chair), Bruce Carter AO, and Dr Janis Cocking PSM.

Board Membership

During 2024-25, Dr Rosalind Dubs ceased as a Non-Executive Director, effective 31 December 2024. Loretta Reynolds and Geoff Rohrsheim were reappointed as Non-Executive Directors, effective 11 February 2025.

Code of Conduct

ASC has implemented a Code of Conduct for directors, employees and contractors which seeks to:

- articulate the high standards of honesty, integrity, ethical and law-abiding behaviour expected of directors and other ASC personnel;
- encourage the observance of those standards to protect and promote shareholders' and other stakeholders' interests; and
- guide directors and personnel as to the practices considered necessary to maintain confidence in the ASC Group's integrity.



Auditor

ASC's external auditor is the Australian National Audit Office (ANAO). RSM has been appointed as the ANAO's subcontractor auditor for the purposes of ASC's audit.

The Audit Committee oversees internal audits, while the Group Internal Audit Manager reports to the Audit Committee and contributes to the achievement of ASC's goals and objectives by:

- assisting management in evaluating its processes for identifying, assessing and managing ASC's key operational, financial and compliance risks;
- assisting management in evaluating the effectiveness of internal control systems, including compliance with internal policies;
- recommending efficiency improvements in management's internal control systems;
- keeping abreast of new developments affecting ASC's activities, and in matters affecting internal audit work; and
- being responsive to ASC's changing needs, striving for continuous improvement and monitoring integrity in the performance of its activities.

Risk Management

ASC is committed to integrating effective and practical risk management processes, robust reporting systems and embedding good governance to ensure informed decision-making aligned with the company's strategic objectives and corporate governance responsibilities.

The ASC Board, through the BASC, has accountability for risk management oversight and promoting a positive risk culture. This includes:

- reviewing key risks and guiding their management; and
- ensuring that an appropriate risk management framework is established and maintained.

Both the Audit Committee (financial risk) and the BASC (non-financial risk) are responsible for monitoring ASC's risk management performance.

ASC's Risk Management Framework is based on the AS ISO 31000:2018 guidelines, with the ExCo monitoring its effective implementation. The risk governance structure aligns with ASC's operating model and provides appropriate assessment, mitigation and oversight across strategic, operational, program and project risks.

Legal Compliance

ASC's Legal Compliance Program is approved and monitored by the BASC. In 2024-25, the program was delivered via online interactive learning modules, which covered:

- Corporate Governance, comprising modules relating to ASC's Code of Conduct, whistleblower protection, fraud and corruption, and modern slavery;
- Intellectual Property, including a course dedicated to ASC's management and protection of Saab Kockums IP;
- Respect in the Workplace (formerly Employment), comprising modules relating to equal opportunity, anti-discrimination, sexual harassment, sex-based harassment and bullying;
- Work Health and Safety, comprising modules relating to managing risks, incident notification, hazardous manual tasks, psychosocial hazards, and representatives and committees; and
- Controlled Technology, covering Defence export controls, including ASC's compliance under the US International Traffic in Arms Regulations regulatory regime.

Payments to Other Related Australian Government Entities

	Aggregate value \$	Number of transactions
Australian Naval Infrastructure Pty Ltd	21,051,935	127
ANAO	242,561	3
Comcare	174,966	7
DoD	903,791	12

Table 9: Payments to other related Australian Government entities.



14

Remuneration Report

Remuneration Report

The Remuneration Report outlines ASC's approach to setting remuneration and provides the amounts paid to its key management personnel (KMP) for the year ended 30 June 2025.

ASC's KMP have the authority and responsibility for planning, directing and controlling the

company's strategic direction throughout the year. The personnel covered in this report include ASC's Non-Executive Directors, the CEO and MD, and certain other senior executive positions.

Name	Position	Term as KMP 2024-25
Non-Executive Directors		
Bruce James Carter AO	Chair, Non-Executive Director	Full year
Geoffrey Roland Rohrsheim ¹	Non-Executive Director	Full year
Dr Janis Louise Cocking PSM	Non-Executive Director	Full year
Dr Rosalind Vivienne Dubs	Non-Executive Director	Ceased 31 December 2024
Loretta Anne Reynolds	Non-Executive Director	Full year
Alice Morrice Williams	Non-Executive Director	Full year
Senior Executives		
Stuart Whiley AM	CEO and MD	Full year
Paul Gay	Chief Operating Officer – Multi-Class Sustainment	Full year
Christian Hamilton	Chief Operating Officer – SSN AUKUS Transition	Full year
Joanne Horne ²	Chief People and Workforce Development Officer	Full year
Rebecca Livesey ²	Chief Strategy and Transformation Officer	Full year
Ashley Menadue	Chief Finance and Commercial Officer	Full year
Alex Walsh ²	Chief Nuclear and Capability Officer	Full year

Table 10: ASC's KMP for the financial year 2024-25.

1. Ceased the role of Deputy Chair from 15 March 2025.
2. These individuals were appointed to the above KMP roles on 31 March 2024. They previously held roles within the organisation that were non-KMP. Remuneration is disclosed within this report from the date they were appointed to these KMP roles.

Non-Executive Director Fees

All ASC Non-Executive Directors are appointed by the CoA through the Minister for Finance.

Their fees are set through determinations by the Commonwealth Remuneration Tribunal, an independent statutory body overseeing the remuneration of key CoA offices. The Tribunal makes its determinations in accordance with the *Remuneration Tribunal Act 1973* (Cth).

The current fees (excluding superannuation) paid to ASC Non-Executive Directors for the 2024-25 and 2023-24 financial years are outlined below. Note that the Chair and Deputy Chair receive no additional fees for membership on ASC’s committees. Non-Executive Directors receive no additional fees for membership on ASC’s HRRC.

Non-Executive Position	From 1 July 2024 \$	From 1 July 2023 \$
Chair – Board	183,930	177,710
Deputy Chair – Board	137,950	133,280
Member – Board	85,870	82,960
Chair – Audit Committee	18,070	17,450
Member – Audit Committee	9,040	8,730
Chair – BASC	17,350	16,760
Member – BASC	8,690	8,390

Table 11: Non-Executive Directors’ fees for the financial years 2024-25 and 2023-24.

Non-Executive Director Remuneration

Amounts paid to each Non-Executive Director are disclosed in the following table. Board and committee fees are presented as 'Other benefits and allowances'.

		Short-term benefits	Post-employment benefits	Total remuneration \$
Name	Year	Other benefits and allowances \$	Superannuation contributions \$	
Bruce James Carter AO	2024-25	179,830	20,667	200,497
	2023-24	177,710	19,548	197,258
Dr Janis Louise Cocking PSM ¹	2024-25	92,431	10,626	103,057
	2023-24	91,350	10,049	101,399
Dr Rosalind Vivienne Dubs ²	2024-25	52,260	6,009	58,269
	2023-24	100,509	11,056	111,565
Denise Carol Goldsworthy AO ³	2024-25	-	-	-
	2023-24	45,925	5,052	50,977
Loretta Anne Reynolds ⁴	2024-25	92,762	10,651	103,413
	2023-24	91,690	10,086	101,776
Geoffrey Roland Rohrsheim ⁵	2024-25	125,508	13,890	139,398
	2023-24	133,280	14,661	147,941
Alice Morrice Williams ⁶	2024-25	101,608	11,668	113,276
	2023-24	99,552	10,951	110,503
Grand Total	2024-25	644,399	73,511	717,910
	2023-24	740,016	81,403	821,419

Table 12: Non-Executive Directors' remuneration for the financial years 2024-25 and 2023-24.

1. Dr Janis Cocking is a member of the BASC.
2. Dr Rosalind Dubs served as a Non-Executive Director until her cessation as a member of the Board, the BASC and Audit Committee on 31 December 2024.
3. Denise Goldsworthy served as a Non-Executive Director until her cessation as a member of the Board and BASC on 31 December 2023.
4. Loretta Reynolds is a member of the Audit Committee.
5. Geoffrey Rohrsheim is the Chair of the BASC and served as Deputy Chair of the ASC Board until 15 March 2025.
6. Alice Williams is the Chair of the Audit Committee.

Chief Executive Officer and Managing Director Remuneration

ASC's CEO and MD is appointed by the CoA through the Minister for Finance.

The CEO and MD role has been declared by the Commonwealth Remuneration Tribunal as a Principal Executive Office under the *Remuneration Tribunal Act 1973* (Cth). The remuneration for this office has been determined and paid in accordance with the Remuneration Tribunal's guidance and is comprised of two components: total fixed remuneration (TFR) and at-risk performance pay (short-term incentive, or STI).

The Remuneration Tribunal sets the Total Remuneration Reference Rate (TRRR) range and at-risk performance pay for this office. For 2024-25 the CEO and MD was paid the TRRR upper range limit at the Board's discretion and was eligible for STI of up to a maximum of 30% of TFR.

Senior Executive Remuneration

The remuneration structure for ASC's senior executives reporting to the CEO and MD is developed by the CEO and MD in consultation with the ASC Board's HRRC.

ASC's senior executive remuneration is structured with a TFR amount, together with an STI payment of up to 40% of base salary, excluding superannuation. Actual STI is tied to a range of annual company and individual objectives. Senior executive STI includes a

deferred retention component; 50% is paid 12 months after the end of the financial year.

ASC's senior executive remuneration packages are developed to ensure that, as much as possible, total remuneration is competitive when compared to similar organisations and senior executives are incentivised to deliver against company objectives.

When establishing an appropriate TFR for an ASC senior executive, the following elements are considered: market data; role risk and complexity; the executive's experience and skills; performance; and internal relativity within the senior executive group.

ASC's senior executive roles are independently benchmarked against reference market data gathered from market research and augmented with survey data.

The HRRC reviews senior executive remuneration packages annually to ensure they reflect company and individual performance, market conditions, and any relevant Tribunal determinations. The ASC Board is responsible for the approval of senior executive remuneration packages and the award of annual individual STIs following HRRC recommendations.

Executive Contractual Remuneration

The following table presents contractual TFR, inclusive of superannuation and the maximum potential STI for senior executive KMP roles as at 30 June 2025.

Executive KMP roles	TFR as at 30 June 2025 \$	Maximum potential STI %
CEO and MD	918,099	30
Chief Nuclear and Capability Officer	670,591	40
Chief Finance and Commercial Officer	642,883	40
Chief Operating Officer – Multi-Class Sustainment	622,086	40
Chief Operating Officer – SSN AUKUS Transition	540,196	40
Chief People and Workforce Development Officer	523,784	40
Chief Strategy and Transformation Officer	523,784	40

Table 13: Senior executive KMP's effective contractual remuneration as at 30 June 2025.

Linking Company and Individual Performance to Remuneration

To ensure that ASC's strategic objectives are achieved, each senior executive remuneration package contains a portion of at-risk remuneration, paid as an STI. The STI program is a core element of ASC's senior executive remuneration package as it's tied directly to the successful completion of both company-assigned and individually assigned objectives, all directly aligned to ASC's strategy.

The STI allows the ASC Board to incentivise the delivery of corporate objectives aligned to ASC's strategy and reward senior executives who have contributed to ASC's success during the performance period.

Senior executive STI includes a deferred retention component; 50% is paid 12 months after the end of the financial year.

Executive Remuneration

The following table represents the remuneration receivable by ASC's KMP senior executives applicable to the relevant year. All amounts are disclosed on an accruals basis. Base salary is required to include annual leave paid, movements in individual annual leave entitlements, and concessional superannuation cap differences. These requirements result in disclosed base salaries that vary from individuals' contractual TFR.

The total amount payable for individual STI outcomes for 2024-25 includes superannuation at the applicable guarantee rates when payable. Excluding the CEO and MD, a portion of STI outcomes are payable in October 2025, presented in 'Short-term benefits'; the deferred retention component is payable in July 2026 and is presented in 'Other long-term benefits'.

Name	Year	Short-term benefits			Post-employment benefits	Other long-term benefits		Total remuneration \$
		Base salary ¹ \$	Bonuses \$	Other benefits and allowances ³ \$	Superannuation contributions ⁴ \$	Long-service leave \$	Other long-term benefits \$	
Stuart Whiley AM	2024-25	1,005,961	220,344	1,500	30,000	37,873	-	1,295,678
	2023-24	949,111	252,809	-	27,500	38,189	-	1,267,609
Paul Gay	2024-25	652,285	76,422	-	28,569	16,333	76,422	850,031
	2023-24	574,841	91,123	-	27,500	49,786	91,531	834,781
Christian Hamilton	2024-25	574,695	93,872	-	28,751	14,325	93,872	805,515
	2023-24	508,246	89,020	-	27,500	45,176	89,420	759,362
Joanne Horne ²	2024-25	688,139	90,914	51,132	30,602	6,926	90,914	958,627
	2023-24	134,885	25,273	7,260	6,913	3,530	25,386	203,247
Rebecca Livesey ²	2024-25	518,588	87,864	27,594	28,803	2,203	87,864	752,916
	2023-24	131,410	22,392	-	6,913	3,407	22,492	186,614
Ashley Menadue	2024-25	680,369	111,587	-	28,529	16,834	111,587	948,906
	2023-24	603,100	103,193	-	27,500	52,811	103,655	890,259
Alex Walsh ²	2024-25	643,808	111,816	14,298	84,799	1,166	111,816	967,703
	2023-24	161,923	29,506	-	16,630	3,931	29,638	241,628
Grand Total	2024-25	4,763,845	792,819	94,524	260,053	95,660	572,475	6,579,376
	2023-24	3,063,516	613,316	7,260	140,456	196,830	362,122	4,383,500

Table 14: Senior executive KMP's total remuneration for the financial years 2024-25 and 2023-24.

1. Base salary is required to include annual leave paid, movements in individual annual leave entitlements, and concessional superannuation cap differences. The amounts disclosed for annual leave are determined in accordance with AASB standard 119. These requirements result in disclosed base salaries that vary from individuals' contractual TFR.

2. The majority of the change in total remuneration and its categories from 2023-24 to 2024-25 is explained by part-year KMP roles in 2023-24. The three senior executives noted above were appointed to KMP roles on 31 March 2024; they previously held roles within the organisation that were non-KMP. For all components of their KMP remuneration above, comparative 2023-24 KMP remuneration disclosed is only for a period of three months, compared to current year 2024-25 KMP remuneration disclosed is for a period of 12 months.

3. Other benefits and allowances include allowances accessed by relevant senior executives during this period and fringe benefits tax amounts reported in accordance with the Commonwealth Entities' Executive Remuneration Reporting Guide For Annual Reports (RMG 138).

4. ASC's policy is to pay superannuation guarantee on all applicable ordinary-time earnings (e.g. salary, at-risk components, allowances) based on the superannuation guarantee rate at the time of payment. Where the superannuation concessional cap (2024-25: \$30,000) would be exceeded, senior executives may request that the superannuation be converted to a cash payment. Where this has occurred, the amount converted is included in base salary.





15

Financial Highlights

Financial Highlights

Two-year Performance at a Glance

ASC Group financial highlights	2024-25 \$m	2023-24 \$m
Revenue from contracts with customers	936.1	794.7
Income from government grants	30.3	39.3
Interest income	9.9	7.9
Other income	0.7	1.6
Total revenue and other income	977.0	843.5
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	53.4	62.7
Depreciation and amortisation	(35.7)	(38.4)
Earnings Before Interest and Tax (EBIT)	17.7	24.3
Interest expense	(5.8)	(5.3)
Operating profit before tax (PBT)	21.8	26.9
Income tax expense	(6.0)	(7.9)
Operating PAT	15.8	19.0
Dividend paid	3.8	10.6
Shareholder's equity	431.2	209.5
Total assets	865.5	600.5
EBITDA/Total revenue and other income (%)	5.5%	7.4%
EBIT/Total revenue and other income (%)	1.8%	2.9%
EBITDA/Shareholder's equity (%)	12.4%	29.9%
EBIT/Shareholder's equity (%)	4.1%	11.6%
PAT/Shareholder's equity (%)	3.7%	9.1%



16

Financial Report

Financial Report

ASC PTY LTD ABN 64 008 605 034

Incorporated in the Australian Capital Territory

Consolidated financial report for the year ended 30 June 2025

Directors' Report	90
Auditor's Independence Declaration	96
Directors' Declaration	97
Independent Auditor's Report to the Members	98
Consolidated Financial Statements	101
Consolidated Statement of Profit or Loss and Other Comprehensive Income	101
Consolidated Statement of Financial Position	102
Consolidated Statement of Changes in Equity	103
Consolidated Statement of Cash Flows	104
Notes to the Consolidated Financial Statements	107
Consolidated Entity Disclosure Statement	156

*This financial report covers ASC Pty Ltd and its controlled entities.
This financial report is presented in Australian dollars (unless otherwise noted).*

Your directors present their report on the consolidated entity (referred to hereafter as the Group, or the consolidated entity consisting of ASC Pty Ltd (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were directors of the Company during the entire financial year up to the date of this report, unless otherwise noted:

- Bruce James Carter AO
- Geoffrey Roland Rohrsheim
- Dr Janis Louise Cocking PSM
- Dr Rosalind Vivienne Dubs (ceased 31 December 2024)
- Loretta Anne Reynolds
- Alice Morrice Williams
- Stuart Paul Whiley AM

More information about the directors can be found on the Group's website at:
www.asc.com.au

Principal Activities

The Group's principal activities during the financial year ended 30 June 2025 are set out below.

Multi-Class Sustainment

ASC provides sustainment services for the RAN's CCSM fleet and AUKUS partner nations' SSNs in Australia.

CCSM ISSC activities

ASC's major activities under the ISSC include all required maintenance, design, development, engineering and updates for the RAN's six CCSMs.

CCSM LOTE activities

The LOTE will ensure Australia retains a potent conventionally powered submarine capability into the 2040s. The project will extend each CCSM's service life for 10 years beyond its initial planned withdrawal date. LOTE updates will be implemented during the boats' scheduled FCDs at ASC's Osborne site in SA. The first will be conducted on HMAS *Farncomb* from 2026.

SSN Sustainment activities

On 22 March 2024 the CoA announced its selection of ASC as SSSP to sustain SSNs in Australia. SSN sustainment will initially take place at HMAS *Stirling*, Garden Island, WA, with ASC providing sustainment support for US and UK boats rotating through SRF-West from 2027.

ASC will later sustain Australia's SSNs at the nearby Henderson Defence Precinct: US-built VCSs from the early 2030s; and sovereign-built SSN AUKUS boats from the early 2040s.

SSN AUKUS Transition

ASC is collaborating on the transfer and development of capability to deliver Phase 3 of the AUKUS Pillar 1 Optimal Pathway: the sovereign build of Australia's future SSN AUKUS Class submarines.

SSN AUKUS mobilisation activities

On 22 March 2024 the CoA announced ASC and BAE Systems as Australia's SSPs. As such, the two companies are collaborating to establish a long-term IJV which will build Australia's SSN AUKUS submarines in Osborne. Construction will commence before the end of this decade, with the first boat delivered in the early 2040s.

SSTP activities

ASC was contracted to the CoA to deliver the now-complete SSTP, which the CoA established in October 2021 to retain, grow and develop Australia's shipbuilding workforce following its decision to cancel the ACSM Program in favour of acquiring SSN capability through the AUKUS trilateral security partnership. A key SSTP function was to manage the transition into ASC of affected Naval Group Australia and Lockheed Martin Australia workers. Also, via the SSTP, ASC supported the CoA's SSN program development through secondments of SMEs to ASA teams.

Shipbuilding

Hobart Class AWD activities

ASC was the main shipbuilder for the construction of Australia's three AWDs under an alliance-based contract, known as the Alliance Based Target Incentive Agreement (ABTIA). The Group's obligations under the ABTIA were concluded during the year ended 30 June 2022. However, ASC remains contracted to the CoA under the Maritime Standing Offer for Services (MSO) to provide support to the AWD Program Management Office as required.

Arafura Class Offshore Patrol Vessel (OPV) activities

The Group is a subcontractor to Lürssen Australia for the construction in SA of the first two of six OPVs.

Review of Operations

Multi-Class Sustainment

CCSM ISSC operations

ASC commenced PP5 on 1 July 2024. The PP5 contract period is eight years, with the first four based on an agreed target cost estimate and the second an indicative budget. Contract extensions every four years are subject to ASC receiving a satisfactory rating in the activity period's strategic review and CoA acceptance of the Company's contract proposal. The CoA listed the CCSM program as a PoC in December 2024, with ASC accepting the need to play its part in uplifting CCSM operational availability. In response, ASC has contributed to a remediation plan in consultation with the DoD, and joint weekly reporting has been established between ASC and the NSSG. ASC is working through PoC remediation plan actions as a matter of priority.

CCSM LOTE operations

The LOTE project remains on track in the Detailed Design phase. Design reviews have been successfully completed with all key suppliers, and all FoC systems are now contracted and in production. FoC LOTE implementation will commence on HMAS *Farncomb* at its LOTE FCD in 2026.

SSN Sustainment operations

ASC continued its preparations for SRF-West's commencement (from 2027). Workforce planning and development progressed in collaboration with the NSSG, ASA and US partners. ASC successfully delivered the first contractual deliverables in November 2024 and met the workforce target for the number of personnel deployed to the PHNSY for VCS sustainment training by January 2025. ASC also supported US Navy Submarine Tender-Assisted Maintenance Period requirements for a visiting

US VCS at HMAS *Stirling* (and commenced planning for the next visits); created a draft SSN Support Plan; supported the planning and development of SSN sustainment facilities; and supported capability uplift in the ASIB and TSIB.

SSN AUKUS Transition

SSN AUKUS mobilisation operations

Important progress was made during the reporting period in the early stages of program mobilisation. On 13 November 2024, ASC, the ASA and BAE Systems executed the Nuclear-Powered Submarine Program Enterprise Collaboration Deed (ECD) and Mobilisation Deed (MD), providing a framework to contract with the CoA through the ASA. The parties have since executed Tasking Statements supporting the joint development of build strategy, supply chain management plans, and a workforce development strategy. ASC and BAE Systems also commenced preparation of a Tasking Statement Quote for the second year of mobilisation activities.

SSTP operations

The Company entered into its most recent SSTP management contract, the SSTP Management Services Agreement (MSA), with the DoD on 14 February 2022. 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.

Shipbuilding

AWD operations

ASC subsidiary ASC AWD Shipbuilder Pty Ltd continued to support the AWD Program Management Office through the MSO, providing shipbuilding goods and services as required, and will continue doing so until December 2025.

OPV operations

The Group continues to provide support to the SEA1180 OPV Program Prime Contractor, Luerssen Australia, through the provision of resources and services. During the year the contract to provide support to the program was extended to 31 October 2025.

Other

In February 2025 the CoA confirmed that it would provide ASC with funding over six years from 2024-25 in equity and non-equity investments to enhance the Company's capacity to support SSN sustainment, including to grow its workforce, develop capability partnerships, invest in cybersecurity and digital transformation, and to build and sustain its nuclear capabilities.

Consolidated Result

The Group's consolidated profit for the 2024-25 financial year, attributable to the Company's shareholder, was \$15,835,000 (2024: \$18,978,000) after provision for income tax expense of \$5,992,000 (2024: \$7,940,000).

Dividends

Dividends paid during the financial year were as follows:

	June 2025 \$'000	June 2024 \$'000
Final dividend for the year ended 30 June 2024 of 5.8 cents (2023: 15.2 cents) per fully paid share	3,800	9,900
No interim dividend for the year ended 30 June 2025 (2024: 1.1 cents) per fully paid share	-	700
	3,800	10,600

On 28 August 2025 the directors declared a final dividend for the year ended 30 June 2025 of 3.5 cents per ordinary share to be paid on or by 30 October 2025, a total estimated distribution of \$9.5m based on the number of ordinary shares on issue as at 30 June 2025.

Significant Changes in the State of Affairs

During the financial year, the Group established a new, wholly owned subsidiary of ASC Pty Ltd: ASC SSN-AUKUS Pty Ltd. Incorporated on 9 August 2024, the entity provides the avenue through which the Company enters into agreements with the ASA and BAE Systems in relation to the SSN AUKUS mobilisation program.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters Subsequent to the End of the Financial Year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no likely developments in the operations of the Group that were not finalised at the date of this report.

Environmental Regulation

The Group's operations are subject to environmental regulation under both Commonwealth and state legislation in relation to activities undertaken on ASC-operated sites in SA and WA.

The Group is committed to achieving a high standard of environmental performance consistent with the requirements of its sites' AS/NZS ISO 14001:2015 Environment Management Systems (EMS) accreditation. Its EMS functions form part of ASC's corporate management system.

The Group has complied with all applicable environmental regulations and site-specific environmental licence requirements.

Climate-Related Disclosures

ASC is required to report emissions under the CCD policy that mandates Australian Commonwealth companies publicly report on their climate-related risks and opportunities, as well as their actions to manage them.

ASC will be required to report under the Treasury-led climate-related financial disclosures from the financial year ending 30 June 2026.

Directors' Benefit

Since the end of the previous financial year, no Group director has received, or become entitled to receive, any benefit (other than reimbursement of expenses and the aggregate amount of remuneration received or due and receivable by directors shown in the consolidated financial report) through a contract made by the Group, its controlled entities or a related body corporate with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial interest.

Indemnification and Insurance of Directors and Officers

Indemnification

The Group has agreed to indemnify its current and previous directors and officers for all liabilities to another person (excluding the Group itself or a related body corporate) that may arise in their capacity as directors and officers of the Group and its controlled entities, except where liability arises out of the conduct involving a lack of good faith. The agreements stipulate that the Group will meet, to the extent permitted by law, the full amount of any such liabilities, including costs and expenses.

Insurance premiums

Since the end of the previous financial year, the Group, its directors and officers have paid insurance premiums in respect of directors' and officers' liability insurance contracts for current and former directors and officers, including executive officers of the Group and directors, executive officers and secretaries of its controlled entities. The insurance premiums cover directors and officers for actual losses incurred in their capacity as directors and officers of the Group, which are not indemnified by the Group and which the director or officer becomes legally obligated to pay on account of certain claims made against them individually or otherwise. The terms of the insurance policy prohibit disclosure of amounts of the premium payable.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnity and Insurance of Auditors

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Auditor's Independence Declaration

The Auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page [96](#).

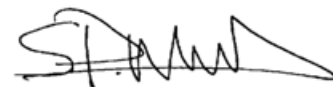
Rounding of Amounts

The consolidated entity is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off to the nearest thousand dollars in accordance with the Instrument unless otherwise stated.

Signed in accordance with a resolution of directors.



Bruce James Carter AO
Director



Stuart Paul Whiley AM
Director

Adelaide | 28 August 2025

Auditor's Independence Declaration



Mr Bruce Carter AO
Chairman of the Board
ASC Pty Ltd and its Controlled Entities
640 Mersey Road, Osborne SA 5017

ASC PTY LTD AND ITS CONTROLLED ENTITIES FINANCIAL REPORT 2024–25
AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of the ASC Pty Ltd and its controlled entities for the year ended 30 June 2025, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Sean Benfield
Senior Executive Director
Delegate of the Auditor-General

Canberra
28 August 2025

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Directors' Declaration

For the year ended 30 June 2025

The directors declare that, in their opinion:

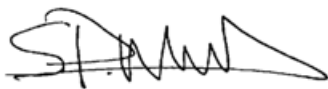
- (a) the consolidated financial statements and notes set out on pages [101](#) to [155](#) are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement on page [156](#) is true and correct.

Note 19(a) confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of directors.



Bruce James Carter AO
Director



Stuart Paul Whiley AM
Director

Adelaide | 28 August 2025

Independent Auditor's Report to the Members



INDEPENDENT AUDITOR'S REPORT

To the members of ASC Pty Ltd

Opinion

In my opinion, the financial report of ASC Pty Ltd (the Company) and its subsidiaries (together 'the Group') for the year ended 30 June 2025 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's and the Group's financial positions as at 30 June 2025 and of their performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report of the Group, which I have audited, comprises the following as at 30 June 2025 and for the year then ended:

- Consolidated Statement of Profit and Loss and Other Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash Flows;
- Notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information;
- Consolidated Entity Disclosure Statement; and
- Directors' Declaration.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company and the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue Forrest ACT 2603
Phone (02) 6203 7300

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct and in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company and the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company or the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Australian National Audit Office



Sean Benfield
Senior Executive Director
Delegate of the Auditor-General

Canberra
28 August 2025

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	June 2025 \$'000	June 2024 \$'000
Revenue from contracts with customers	1(a)	936,116	794,697
Income from government grants	2(a)	30,263	39,327
Labour		531,936	393,304
Materials and subcontractors		258,362	288,027
Repairs and maintenance		19,552	16,226
Depreciation and amortisation	3(a)	35,688	38,399
Lease expenses		1,649	992
Finance expenses	3(b)	6,278	5,575
Net foreign exchange (gains)/losses		429	97
Other expenses		101,236	74,022
Other income	3(c)	(10,578)	(9,536)
Total expenses and other income		944,552	807,106
Profit before income tax		21,827	26,918
Income tax expense	4(a)	5,992	7,940
Profit after income tax		15,835	18,978
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit pension plan		(58)	(148)
Income tax benefit/(expense) relating to these items	4(c)	17	44
Exchange differences on translation of foreign operations		(196)	-
Other comprehensive income/(loss) for the year, net of tax		(237)	(104)
Total comprehensive income for the year		15,598	18,874
Profit is attributable to: Owners of ASC Pty Ltd		15,835	18,978
Total comprehensive income for the year is attributable to: Owners of ASC Pty Ltd		15,598	18,874

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Notes	June 2025 \$'000	June 2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	190,909	232,366
Trade and other receivables	5(d)	226,622	106,022
Contract assets	1(b)	11,971	10,009
Other financial assets	5(b)	181,000	-
Other current assets		10,110	4,822
Total current assets		620,612	353,219
Non-current assets			
Property, plant and equipment	6(a)	41,532	34,866
Intangible assets	6(b)	33,192	36,371
Right-of-use assets	6(c)	116,961	125,459
Deferred tax assets	4(d)	51,517	48,641
Other non-current assets		1,658	1,925
Total non-current assets		244,860	247,262
Total assets		865,472	600,481
LIABILITIES			
Current liabilities			
Trade and other payables	5(e)	108,502	89,445
Contract liabilities	1(b)	55,562	23,555
Other current liabilities	2(b)	4,150	11,406
Lease liabilities	5(f)	18,349	16,826
Provisions	6(d)	72,402	60,305
Advances	5(c)	7,000	7,000
Current tax liabilities		6,600	13,225
Total current liabilities		272,565	221,762
Non-current liabilities			
Lease liabilities	5(f)	108,429	117,091
Provisions	6(d)	14,161	12,968
Advances	5(c)	38,994	38,994
Non-interest bearing liabilities		135	135
Total non-current liabilities		161,719	169,188
Total liabilities		434,284	390,950
Net assets		431,188	209,531
EQUITY			
Share capital	7(a)	274,859	65,000
Retained earnings		156,525	144,531
Reserves		(196)	-
Total equity		431,188	209,531

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Attributable to Owners of ASC Pty Ltd			
	Share capital \$'000	Retained earnings \$'000	Reserves \$'000	Total equity \$'000
Balance at 1 July 2023	65,000	136,257	-	201,257
Profit for the period	-	18,978	-	18,978
Items of other comprehensive income recognised directly in equity:				
Remeasurement of defined benefit pension plan	-	(148)	-	(148)
Income tax benefit/(expense) relating to these items	-	44	-	44
Total comprehensive income for the year	-	18,874	-	18,874
Transactions with owners in their capacity as owners:				
Dividend paid	-	(10,600)	-	(10,600)
Issuance of shares	-	-	-	-
Total transactions with owners	-	(10,600)	-	(10,600)
Balance at 30 June 2024	65,000	144,531	-	209,531
Balance at 1 July 2024	65,000	144,531	-	209,531
Profit for the Period	-	15,835	-	15,835
Items of other comprehensive income recognised directly in equity:				
Remeasurement of defined benefit pension plan	-	(58)	-	(58)
Income tax benefit/(expense) relating to these items	-	17	-	17
Exchange differences on translation of foreign operations	-	-	(196)	(196)
Total comprehensive income for the year	-	15,794	(196)	15,598
Transactions with owners in their capacity as owners:				
Dividend paid	-	(3,800)	-	(3,800)
Issuance of shares	209,859	-	-	209,859
Total transactions with owners	209,859	(3,800)	-	206,059
Balance at 30 June 2025	274,859	156,525	(196)	431,188

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	June 2025 \$'000	June 2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of Goods and Services Tax (GST))		1,239,343	863,221
Receipts from government grants (inclusive of GST)		47,677	51,462
Payments to suppliers and employees (inclusive of GST)		(1,301,958)	(793,702)
Interest expense relating to defined benefit pension plan		(91)	(117)
Income taxes paid		(15,475)	(16,150)
Net cash inflow/(outflow) from operating activities	8(a)	(30,504)	104,714
Cash flows from investing activities			
Payments for property, plant and equipment	6(a)	(14,112)	(9,422)
Payments for software development costs	6(b)	(6,454)	(13,113)
Proceeds from sale of property, plant and equipment		148	1,151
Investment in other financial assets		(181,000)	-
Interest received		8,169	8,378
Net cash inflow/(outflow) from investing activities		(193,249)	(13,006)
Cash flows from financing activities			
Principal element of lease payments	8(b)	(17,006)	(16,893)
Interest paid relating to leases		(5,748)	(5,144)
Proceeds from issuance of shares	7(a)	209,859	-
Dividends paid	7(b)	(3,800)	(10,600)
Proceeds from advances	8(b)	-	36,537
Repayment of advances	8(b)	-	(32,000)
Net cash inflow/(outflow) from financing activities		183,305	(28,100)
Net increase/(decrease) in cash and cash equivalents		(40,448)	63,608
Cash and cash equivalents at the beginning of the year		232,366	168,770
Effects of exchange rate changes on cash and cash equivalents		(1,009)	(12)
Cash and cash equivalents at the end of year		190,909	232,366

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.





Contents of the Notes to the Consolidated Financial Statements

1	Revenue from Contracts with Customers and Contract Balances	108
2	Government Grants	113
3	Other Income and Expense Items	114
4	Income Tax	115
5	Financial Assets and Liabilities	119
6	Non-Financial Assets and Liabilities	125
7	Equity	135
8	Cash Flow Information	137
9	Financial and Capital Risk Management	139
10	Interest in Other Entities	145
11	Commitments	146
12	Contingent Liabilities	146
13	Registered Charges	147
14	Matters Subsequent to the End of the Financial Year	147
15	Economic Dependency	147
16	Related Parties	147
17	Parent Entity Financial Information	149
18	Remuneration of Auditors	151
19	Summary of Other Material Accounting Policies	152

1. Revenue from Contracts with Customers and Contract Balances

(a) Revenue from contracts with customers

Material accounting policies – revenue from contracts with customers

Revenue is recognised when control of a good or service transfers to the customer and is measured as the amount (transaction price) that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

Revenue is recognised depending on the type of contract as described below.

Target-cost-estimate contracts

Revenue is traded on cost as it's incurred, while profit is based on a performance score against the contract and pain/gain formula based on cost. As the contract progresses and the profit estimates are refined, so is the value of the revenue to be recognised. Revenue is recognised over time as the customer receives and uses the benefits simultaneously.

The transaction price is based on fixed and variable components as follows:

- Fixed – determined based on contract targeted costs and not subject to changes due to performance criteria.
- Variable – components of the transaction price that vary based on the performance scores and pain/gain considerations set out in the contract, such as meeting targeted profit based on actual costs incurred.

The outcomes of the stipulated performance scores and pain/gain calculations are considered in relation to revenue and profit estimates. If the outcomes cannot be reliably estimated until late in the contract, no pain/gain is recognised until it is capable of reliable estimation.

Cost-reimbursable contracts

If costs are reimbursed progressively as they're incurred with no exposure to risk, then revenue and profit is traded on the costs as they are incurred.

Revenue is recognised based on all eligible reimbursable costs (transaction price) as part of the contract criteria over time as the costs are incurred by the Group, with continuous control transferred to the customer as services are provided.

Where costs are reimbursed from the customer on a periodic basis based on costs, revenue is recognised based on eligible and approved reimbursable costs (transaction price) for the period as part of the contract criteria at a point in time. Requirements related to the performance of the contract are determined by the customer in advance and once the requirements are determined, they are not subject to change.

In the situation where costs incurred by the Group are not eligible for reimbursement from the customer, these costs are recognised in profit or loss in the period in which they are incurred.

Survey and Quote (S&Q) contracts

S&Q contracts cover ad-hoc services or special services delivered outside the scope of a primary contract. Work performed is provided progressively over time to the customer. Revenue and profit are recognised on the costs as they are incurred, with continuous control transferred to the customer as services are provided.

If the customer is obliged to make payment on completion and delivery, revenue recognition will be deferred until the end of the contract.

Service contracts

The extent of services to be provided under a contract is assessed to determine the number of performance obligations and the period over which the performance obligations will be completed. The cost of delivery is determined for each performance obligation at the contract's inception, with revenue and profit being recognised on the cost as it's incurred, over the period the performance obligations are satisfied.

Where there are multiple deliverables, the transaction price will be allocated to each of the deliverables based on the standalone pricing, or – where the standalone pricing is not able to be directly observed – an estimate will be used, based on the expected costs to be incurred.

For services revenue that is recognised over time, if estimates surrounding revenue, project costs and progress towards completion are revised due to a change in circumstances, a resultant increase or decrease in the estimated revenues or costs is reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For services revenue that is recognised at a point in time, revenue is recognised when the inventory is acquired, and legal title has passed to the customer.

Critical accounting judgements, estimates and assumptions – revenue from contracts with customers

Critical judgement required to identify performance obligations in a contract

The Group undertakes many long-term contracts. Accounting for these requires a number of assumptions and estimates to be made in relation to each contract's stage of completion and expected outcome.

The majority of the Group's contracts have a single performance obligation, as the promise to transfer the individual good or service is not separately identifiable from other promises in the contracts. For contracts with multiple performance obligations, the Group allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract.

Critical judgements, estimates and assumptions, estimate-at-completion (EAC) process

The Group has an EAC process in which management reviews the progress and completion of performance obligations. As part of this process, management reviews information including, but not limited to: any outstanding key contract matters; progress towards completion and the related program schedule; identified risks and opportunities; and the related changes in revenue and cost

estimates. The risks and opportunities include management's judgement about the ability and cost to achieve the schedule, technical requirements and other contract requirements.

Due to the nature of the work required to complete many of the Group's performance obligations, estimating total revenue and costs at completion is complex, subject to variables and requires judgement. It's common for long-term contracts to contain performance and incentive fees, or other provisions that may increase or decrease the transaction price. These variable amounts are generally awarded upon achievement of certain performance metrics, program milestones or cost targets and can be based upon customer discretion. The Group estimates the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

The Group predominantly recognises revenue over time, representing the continuous transfer of control to the customer. The Group uses costs incurred to date, relative to total EAC, to measure progress towards satisfying performance obligations. Incurred costs represent work performed which corresponds with, and best depicts, the transfer of control to the customer. Contract costs include labour, materials, subcontractor costs and overheads.

EAC process – CCSM ISSC program revenue recognition

In accounting for revenue recognition for the CCSM ISSC, the following are periodically reviewed by management throughout the term of the contract, on both a year-to-date and contract-term basis: actual costs incurred; actual and forecast key performance indicator scores; and pain/gain calculations.

Adjustments will be made to revenue recognised if there are circumstances which indicate an increase or decrease resulting from meeting performance scores. Adjustments are recognised in profit or loss in the period in which the circumstances change.

EAC process – CCSM LOTE program revenue recognition

In accounting for revenue recognition for the LOTE contract, management periodically reviews the following throughout the term of the contract, on both a year-to-date and contract-term basis: actual costs incurred; progress towards completion of program schedule; risks and opportunities; and estimated total contract revenue and costs.

Adjustments are made to revenue recognised over the contract timeframe if there are changes in circumstances, or changes in actual or estimated costs for the remaining contract timeframe. Adjustments are recognised in profit or loss in the period in which the changes occur.

EAC process – SSN Sustainment program revenue recognition

In accounting for revenue recognition for the SSN Sustainment contract, management periodically reviews the following throughout the term of the contract, on both a year-to-date and contract-term basis: actual costs incurred; risks and opportunities; and estimated total contract revenue and costs.

Adjustments are made to revenue recognised over time if there are changes in circumstances, or changes in actual or estimated costs for the remaining contract timeframe. Adjustments are recognised in profit or loss in the period in which the changes occur.

EAC process – SSN AUKUS Mobilisation program revenue recognition

In accounting for revenue recognition for the SSN AUKUS Build mobilisation, management periodically reviews the following throughout the term of the contract, on both a year-to-date and contract-term basis: actual costs incurred; completion of deliverable milestones; risks and opportunities; and estimated total contract revenue and costs.

Adjustments are made to revenue recognised over time if there are changes in circumstances, or changes in actual or estimated costs for the remaining contract timeframe. Adjustments are recognised in profit or loss in the period in which the changes occur.

Disaggregation from contracts with customers

	June 2025 \$'000			June 2024 \$'000		
	Over time	At a point in time	Current year	Over time	At a point in time	Prior year
Target cost estimate contracts	407,147	-	407,147	390,291	-	390,291
Cost reimbursable contracts	16,133	-	16,133	27,665	-	27,665
Fixed price contracts	-	-	-	-	-	-
S&Q contracts	284, 876	-	284,876	229,327	-	229,327
Services contracts	102,328	125,632	227,960	15,762	131,652	147,414
	810, 484	125,632	936,116	663,045	131,652	794,697

(b) Contract assets and liabilities

Material accounting policies – contract assets and liabilities

The recognition of contract assets and liabilities on the Consolidated Statement of Financial Position is dependent on the timing of revenue recognised and contractual billing terms. Contract assets and liabilities are presented net when they relate to the same contract with a customer and the Group expects to recognise the impacts through profit or loss over the remaining contractual term.

Contract assets

The balance of contract assets represents amounts to be billed subsequent to revenue recognition. These amounts are billed as work in progress in accordance with agreed contractual terms at periodic intervals or upon achievement of contractual milestones.

Contract assets disclosed in the Consolidated Statement of Financial Position are recognised net of a loss allowance for lifetime expected credit losses.

Contract liabilities

The balance of contract liabilities represents advances received, progress billings received in advance of the performance of contract activities, labour over recoveries and program loss provision.

Disaggregation of contract assets and liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	June 2025 \$'000	June 2024 \$'000
Contract assets		
MCS	11,325	9,230
SSN AUKUS Transition	646	779
Shipbuilding	-	-
	11,971	10,009
Contract liabilities		
MCS	49,410	22,616
SSN AUKUS Transition	4,052	-
Shipbuilding	2,100	939
	55,562	23,555

	June 2025 \$'000	June 2024 \$'000
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period:		
Target cost estimate contracts	17,562	26,241

(c) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from the following contracts:

	June 2025 \$'000	June 2024 \$'000
MCS	2,116,282	2,409,856
SSN AUKUS Transition	53,549	1,329
	2,169,831	2,411,185

Management expects that 43% of the transaction price allocated to the unsatisfied contracts as at 30 June 2025 (2024: 28%) will be recognised as revenue during the next reporting period, with the remaining 57% (2024: 72%) being recognised beyond the next reporting period.

2. Government Grants

(a) Income from government grants

Material accounting policies – income from government grants

The Group recognised income from government grants in relation to SSTP contract services. Government grants are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a systematic basis over the periods in which the Group recognises expenditure for which the grant is intended to compensate.

	June 2025 \$'000	June 2024 \$'000
Income from government grants – SSTP	30,263	39,327

(b) Other current liabilities

Material accounting policies – deferred government grants

Government grants which are received in advance of the Group incurring the related expenditure are deferred and recognised in the Consolidated Statement of Financial Position when the grant is received.

	June 2025 \$'000	June 2024 \$'000
Deferred government grants – SSTP	4,150	11,406

3. Other Income and Expense Items

Items included in profit before income tax:

(a) Depreciation and amortisation

	June 2025 \$'000	June 2024 \$'000
Plant and equipment	7,219	7,855
Intangible assets	9,860	12,119
Right-of-use assets	18,365	18,181
Contribution to Henderson Common User Facility (CUF)	244	244
	35,688	38,399

(b) Finance expenses

	June 2025 \$'000	June 2024 \$'000
Interest expense relating to leases	5,748	5,144
Interest expense relating to defined benefit pension plan	91	117
Bank charges	439	314
	6,278	5,575

(c) Other income

Material accounting policies – interest income

Interest income on financial assets measured at amortised cost is recognised in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset, after deducting the loss allowance.

	June 2025 \$'000	June 2024 \$'000
Interest income	9,896	7,886
Profit/(loss) on sale of assets	148	1,150
Other income	534	500
	10,578	9,536

4. Income tax

Material accounting policies – income tax

Accounting for income tax

The income tax expense (or benefit) for the period is the tax payable (or receivable) on the current period's taxable income (or loss), based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent it is probable that future taxable income will be available, against which the Group may utilise those temporary differences and losses. Deferred tax assets are reduced to the extent that it is no longer probable that future taxable income will be available.

Deferred tax liabilities and assets are not recognised for temporary differences between the tax base and carrying amount of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation

The head entity, ASC Pty Ltd, and its wholly owned Australian resident subsidiaries have formed an income-tax-consolidated group under tax consolidation legislation since 1 July 2002. Consequently, these entities are taxed as a single entity and their deferred tax assets and liabilities are set off in the Consolidated Statement of Financial Position.

In addition to its own current and deferred tax amounts, the Group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax-consolidated entities are recognised as amounts receivable from, or payable to, other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax-consolidated entities.

(a) Income tax expense

	June 2025 \$'000	June 2024 \$'000
Current tax expense		
Current year	8,667	22,292
Adjustments for prior years	175	183
Total current tax expense	8,842	22,475
Deferred income tax		
Temporary differences arising during the year	(2,954)	(14,351)
Adjustment for prior years deferred tax	104	(184)
Total deferred tax expense/(benefit)	(2,850)	(14,535)
Income tax expense	5,992	7,940
Income tax expense is attributable to Profit from continuing operations	5,992	7,940

(b) Reconciliation of income tax expense

	June 2025 \$'000	June 2024 \$'000
Profit from continuing operations before income tax expense	21,829	26,918
Tax at the Australian tax rate of 30.0% (2024: 30.0%)	6,549	8,075
Tax effect of amounts which are tax deductible in calculating taxable income:		
Non-deductible/(non-assessable) amounts	(860)	(134)
Impact of Foreign Tax Rates Difference	(12)	-
Foreign exchange re-translation impact	(14)	-
Foreign tax expense	50	-
Subtotal	5,713	7,941
Adjustments for current tax of prior periods	279	(1)
Income tax expense	5,992	7,940

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss but directly debited or credited to equity:

	June 2025 \$'000	June 2024 \$'000
Items of other comprehensive income recognised directly in retained earnings		
Deferred tax (benefit)/expense: remeasurement of defined benefit asset	(17)	(44)
Items of other comprehensive income recognised directly in Foreign Currency Translation Reserves		
Retranslation of foreign operations	196	-
Net deferred tax	(17)	(44)

(d) Net deferred tax

Net position as presented in the Consolidated Statement of Financial Position:

	June 2025 \$'000	June 2024 \$'000
Net deferred tax		
Deferred tax assets	87,251	86,899
Deferred tax liabilities	(35,734)	(38,258)
	51,517	48,641

(e) Deferred tax assets

	June 2025 \$'000	June 2024 \$'000
The balance comprises temporary differences attributable to:		
Lease liabilities	38,033	40,175
Employee benefits	24,188	20,720
Contract balances	13,604	14,512
Property, plant and equipment	1,202	855
Intangible assets	3,662	4,921
Sundry items	6,562	5,716
	87,251	86,899

Movement in deferred tax assets	Lease liabilities \$'000	Employee benefits \$'000	Contract balances \$'000	Property, plant and equipment \$'000	Intangible assets \$'000	Sundry items \$'000	Total \$'000
Balance at 1 July 2023	36,371	18,792	9,586	749	-	3,625	69,123
Charged/(credited) to:							
Profit or loss	3,804	1,929	4,926	106	4,921	2,090	17,776
Equity	-	-	-	-	-	-	-
Balance at 30 June 2024	40,175	20,721	14,512	855	4,921	5,715	86,899
Charged/(credited) to:							
Profit or loss	(2,142)	3,458	(908)	347	(1,259)	847	343
Equity	-	9	-	-	-	-	9
Balance at 30 June 2025	38,033	24,188	13,604	1,202	3,662	6,562	87,251

(f) Deferred tax liabilities

	June 2025 \$'000	June 2024 \$'000
The balance comprises temporary differences attributable to:		
Right-of-use assets	35,088	37,638
Defined benefit pension plan	168	175
Contract balances	478	-
Sundry items	-	445
	35,734	38,258

Movement in deferred tax liabilities	Right-of-use assets \$'000	Defined benefit pension plan \$'000	Contract balances \$'000	Sundry items \$'000	Total \$'000
Balance at 1 July 2023	34,220	202	-	639	35,061
Charged/(credited) to:					
Profit or loss	3,418	17	-	(194)	3,241
Equity	-	(44)	-	-	(44)
Balance at 30 June 2024	37,638	175	-	445	38,258
Charged/(credited) to:					
Profit or loss	(2,550)	10	478	(445)	(2,507)
Equity	-	(17)	-	-	(17)
Balance at 30 June 2025	35,088	168	478	-	35,734

5. Financial Assets and Liabilities

Material accounting policies – financial assets

Financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date (the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value, less any expected credit losses, plus – in the case of a financial asset not at fair value through profit or loss – transaction costs directly attributable to the asset's acquisition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Impairment

The Group measures the expected credit losses of its financial assets from the moment of its acquisition and throughout the life of the financial asset. Expected credit losses are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate. The amount of impairment loss is recognised in profit or loss within other expenses. If, in a subsequent period, the amount of the expected credit loss decreases, and the decrease can be related objectively to an event occurring after the expected credit loss was recognised, the reversal of the previously recognised expected credit loss is recognised in profit or loss.

Fair value hierarchy

The Group has several assets and liabilities that aren't measured at fair value, but for which fair values are disclosed in the notes.

The carrying values for trade and other receivables, trade and other payables, advances and non-interest-bearing liabilities approximate their fair values.

The Group recognised an asset (2024: asset) within other non-current assets in respect of a defined benefit superannuation plan. The asset is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected-unit-credit method.

(a) Cash and cash equivalents

Material accounting policies – cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents include:

- cash at bank and on hand;
- deposits held at-call with financial institutions;
- other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and
- bank overdrafts.

Cash and cash equivalents are measured at amortised cost.

Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

Included in cash and cash equivalents are amounts advanced to the Group by the CoA for the purpose of funding SSTEP working capital requirements. The amount advanced has certain contractual restrictions placed on the use of these funds. The funds maintained may only be applied to the direct project for which they were advanced, for expenditure incurred and claims for reimbursement from the CoA. The amount that exceeds the value of the direct project expenditure incurred and unbilled as at balance date is defined as restricted cash.

Also included in cash and cash equivalents are amounts advanced to the Group by the CoA for the purpose of the Company's DTP. The amount that will be released upon achievement of future implementation milestones, and subsequent CoA approval of those milestone acquittal statements, is defined as restricted cash.

At 30 June 2025, the balance of restricted cash was \$43.4m (2024: \$39.0m).

	June 2025 \$'000	June 2024 \$'000
Cash at bank and on hand	171,909	208,141
Other cash and cash equivalents	19,000	24,225
	190,909	232,366

(b) Other financial assets

Material accounting policies – other financial assets

For the purposes of presentation in the Consolidated Statement of Cash Flows, other financial assets include investments with original maturities of greater than three months, that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

	June 2025 \$'000	June 2024 \$'000
Other financial assets	181,000	-
	181,000	-

(c) Advances

Material accounting policies – advances

Advances are initially recognised at fair value and subsequently measured at amortised cost. Working capital advances are removed from the Consolidated Statement of Financial Position when the program obligations specified in the contract are discharged, cancelled or expire.

Advances are classified as current liabilities on the Consolidated Statement of Financial Position, unless the Group has the right at the end of the reporting period to defer the liability's settlement for at least 12 months after the reporting period.

	June 2025 \$'000	June 2024 \$'000
Government advances	45,994	45,994
	45,994	45,994

SSTP advance

As at 30 June 2025, the SSTP advance balance was \$7m (2024: \$7m). The advance can only be used for direct SSTP project costs and was paid by the CoA in Australian dollars. The interest income from the advance accrues to the benefit of the CoA and will be deducted against invoiced direct project costs. The advance will be repaid in the next financial year, subsequent to the end of the contract term and the financial year true-up. It is therefore classified as current on the Consolidated Statement of Financial Position.

DTP advance

Advances are provided by the CoA for the development of intangible assets. These advances reduce the directly attributable costs capitalised as part of the intangible asset upon meeting program obligations.

As at 30 June 2025, the balance of the advance was \$39m (2024: \$39m). The advance can only be used for DTP implementation and was paid by the CoA in Australian dollars. During the year ended 30 June 2025 no amount (2024: \$13.5m) of the advance was released upon achievement of DTP implementation milestones. The remaining balance is held as a non-current advance and will be released upon the achievement of two further implementation milestones and subsequent CoA approval of the milestone acquittal statements.

The prior year comparative DTP advance as at 30 June 2024 has been re-classified from current liabilities to non-current liabilities to reflect the impact of adoption of the amendment to accounting standards.

(d) Trade and other receivables

Material accounting policies – trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they’re recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore subsequently measures them at amortised cost using the effective-interest method, less any loss allowance. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

	June 2025 \$'000	June 2024 \$'000
Trade receivables		
Trade receivables	200,926	100,485
Less allowance provision for estimated credit losses	-	(3,598)
	200,926	96,887
Other receivables		
Accrued revenue	22,429	6,322
Other receivables	1,259	2,531
Interest receivable	2,008	282
	25,696	9,135
Total trade and other receivables	226,622	106,022

(e) Trade and other payables

Material accounting policies – trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective-interest method.

	June 2025 \$'000	June 2024 \$'000
Trade payables		
Trade payables	31,410	18,092
Accrued expenses	69,839	67,287
GST payable	7,253	4,066
	108,502	89,445

(f) Leases

Material accounting policies – lease liabilities and right-of-use assets

At the start of a contract, the Group determines whether a contract is, or contains, a lease. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the Consolidated Statement of Financial Position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to either the end of the useful life of the right-of-use asset or the end of the lease term, whichever occurs earlier. The Group also assesses the right-of-use asset for impairment when potential impairment indicators exist.

Lease payments included in the measurement of the lease liability include: fixed payments (including in substance fixed), less any lease incentives receivable; variable payments that are dependent on an index or rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee or early termination clause, if the early termination is reasonably expected; and payments arising from options reasonably certain to be exercised. Lease payments to be made under reasonably certain extension options are also included in liability measurement.

The Group measures the lease liability at the net present value of the lease payments, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected against the right-of-use asset, or – if the right-of-use asset is already reduced to zero – profit or loss.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

For short-term leases and leases of low-value assets, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low-value leases comprise various computer and other equipment.

Critical accounting judgements, estimates and assumptions – lease liabilities and right-of-use assets

Critical judgement required to determine the lease term

In determining the lease term, management applies judgement to determine whether an option would be reasonably certain to be exercised. Management considers all facts and circumstances, including past practice and any costs that would reasonably be incurred to replace the asset, should a lease extension option not be taken. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Critical estimate – incremental borrowing rates

The present value of lease payments is discounted using the Group's incremental borrowing rate. This rate represents the Group's overdraft facility interest rate, which would be the rate that the Group would have to pay to borrow over a similar term, and with similar security, the funds to obtain an asset of similar value to the leased asset in a similar economic environment.

	June 2025 \$'000	June 2024 \$'000
Lease liabilities – unsecured		
Current	18,349	16,826
Non-current	108,429	117,091
	126,778	133,917

The total cash outflow for leases in the year ended 30 June 2025 was \$22.8m (2024: \$22.0m).

6. Non-Financial Assets and Liabilities

Material accounting policies – non-financial assets

Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Irrespective of whether there is any indication of impairment, intangible assets with indefinite useful lives, or that aren't yet available for use, are tested for impairment annually, by comparing their carrying and recoverable amounts.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(a) Property, plant and equipment

Material accounting policies – property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the asset's acquisition. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it's probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are recognised in profit or loss in the period in which they're incurred.

Depreciation of assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, which range between one and 20 years.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Gains and losses on assets' disposal are determined by comparing proceeds with carrying amounts and are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	June 2025 \$'000	June 2024 \$'000
Plant and equipment		
Cost	85,786	77,265
Accumulated depreciation	(60,095)	(57,048)
	25,691	20,217
Computer software and equipment		
Cost	42,157	36,591
Accumulated depreciation	(31,912)	(28,603)
	10,245	7,988
Leasehold improvements		
Cost	8,780	6,761
Accumulated depreciation	(3,285)	(2,423)
	5,495	4,338
Assets under construction		
Cost	101	2,323
	101	2,323
Total property, plant and equipment		
Cost	136,824	122,940
Accumulated depreciation	(95,292)	(88,074)
Total property, plant and equipment	41,532	34,866

Movement in property, plant and equipment

	Plant and equipment \$'000	Computer software and equipment \$'000	Leasehold improvements \$'000	Assets under construction \$'000	Total \$'000
Year ended 30 June 2025					
Opening book amount	20,217	7,988	4,338	2,323	34,866
Additions	7,578	4,926	1,583	25	14,112
Transfers	943	640	437	(2,020)	-
Re-classification from property, plant and equipment to intangible assets	-	-	-	(227)	(227)
Depreciation	(3,047)	(3,309)	(863)	-	(7,219)
Closing net book amount	25,691	10,245	5,495	101	41,532
Year ended 30 June 2024					
Opening book amount	16,494	8,009	3,132	6,099	33,734
Additions	6,276	2,746	400	-	9,422
Transfers	761	1,512	1,503	(3,776)	-
Re-classification from property, plant and equipment to intangible assets	-	(435)	-	-	(435)
Depreciation	(3,314)	(3,844)	(697)	-	(7,855)
Closing net book amount	20,217	7,988	4,338	2,323	34,866

(b) Intangible assets

Material accounting policies – intangible assets

Software – DTP

Development costs that are directly attributable to the design and testing of identifiable and unique software assets controlled by the Group are recognised as an intangible asset when:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the intangible asset include employee costs and contractor costs. Capitalised costs are presented net of the DTP advance when released and approved by the CoA. Upon achievement of DTP implementation milestones and subsequent CoA approval of the milestone acquittal statements, the advance is reclassified from liabilities to an offset against the DTP intangible asset, on the basis that the obligation has been settled.

Research and development expenditure that does not meet the criteria above is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Costs associated with maintaining software programs are recognised as an expense as incurred.

Subsequent to the development and implementation phases, and when the software is ready for use, capitalised development costs, net of the DTP advance received which has been released, will be amortised on a straight-line basis over its expected useful life of five years.

Software – Software as a Service (SaaS)

Customisation and configuration costs in relation to SaaS cloud-based software have been expensed as incurred when the Group does not have the ability to customise or modify the software and does not have control of these applications through exclusive rights or ownership of the intellectual property.

Ongoing SaaS subscription costs are recognised as an expense as incurred, similar to a service contract.

Critical accounting judgements, estimates and assumptions – accounting for the DTP

Critical judgement required to identify the transition from the research phase to the development and implementation phase

Judgement is applied in determining the transition point from the research phase to the development phase. The Group has considered the adequacy of financial and other resources to complete the development as a key factor in determining the transition point.

This judgement is significant to the financial statements as it directly impacts DTP costs' accounting treatment.

Costs incurred during DTP development and implementation phases are capitalised if the 'intangible asset' definition is met. Costs capitalised by the Group can be reliably measured, are directly attributable to the DTP and are incurred during the development and implementation phases. Examples of development and implementation costs include labour hours and contractor services received directly in relation to a software asset's development and implementation.

Critical judgement required to appropriately account for costs incurred in the development and implementation phase

Judgement is required during the analysis of costs incurred in development and implementation phases, including configuration and customisation costs, which are analysed to determine the appropriate accounting treatment. The exercise of judgement requires a detailed understanding of certain technical aspects of the associated costs and the DTP. If there is a level of control, and the capitalisation criteria under accounting standards is met, it is recognised as an asset and capitalised to the Consolidated Statement of Financial Position. Costs that do not meet the capitalisation criteria are expensed to profit or loss in the period in which they're incurred.

	June 2025 \$'000	June 2024 \$'000
Internally generated		
Cost	46,002	46,002
Accumulated amortisation	(20,538)	(11,903)
	25,464	34,099
Computer software		
Cost	4,966	4,435
Accumulated amortisation	(3,388)	(2,163)
	1,578	2,272
Work in progress		
Cost of assets under development and implementation	6,150	-
	6,150	-
Total intangible assets		
Cost	57,118	50,437
Accumulated amortisation	(23,926)	(14,066)
Total intangible assets	33,192	36,371

Movement in intangible assets

	Internally generated \$'000	Computer software \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2025				
Opening book amount	34,099	2,272	-	36,371
Additions	-	304	6,150	6,454
Re-classification from property, plant and equipment to intangible assets	-	227	-	227
Amortisation	(8,635)	(1,225)	-	(9,860)
Closing net book amount	25,464	1,578	6,150	33,192
Year ended 30 June 2024				
Opening book amount	2,990	2,849	42,056	47,895
Additions	-	-	13,113	13,113
Transfer of completed internally generated intangible assets	55,169	-	(55,169)	-
Release of DTP advance	(12,953)	-	-	(12,953)
Re-classification from property, plant and equipment to intangible assets	-	435	-	435
Amortisation	(11,107)	(1,012)	-	(12,119)
Closing net book amount	34,099	2,272	-	36,371

During the year ended 30 June 2025, the Group spent \$1.3m (2024: \$3.9m) on research and development expenditure, recognised as an expense, relating to the DTP.

At 30 June 2025, the Group undertook an impairment assessment on the work in progress intangible asset in line with the requirement of the accounting standards. No impairment has been identified from the assessment performed. In addition, a reasonable change in the discount rate assumption would not result in an impairment. Sensitivity analyses were based on a change in the discount rate assumption, while holding all other assumptions constant.



(c) Right-of-use assets

	June 2025 \$'000	June 2024 \$'000
Land		
Cost	31,641	31,042
Accumulated depreciation	(11,963)	(9,857)
	19,678	21,185
Buildings		
Cost	177,854	168,587
Accumulated depreciation	(82,784)	(67,260)
	95,070	101,327
Plant and equipment		
Cost	3,889	3,889
Accumulated depreciation	(1,676)	(942)
	2,213	2,947
Total right-of-use assets		
Cost	213,384	203,518
Accumulated depreciation	(96,423)	(78,059)
Total right-of-use assets	116,961	125,459

Movement in right-of-use assets

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Year ended 30 June 2025				
Opening book amount	21,185	101,327	2,947	125,459
Additions	-	-	-	-
Remeasurements	599	9,268	-	9,867
Depreciation	(2,106)	(15,525)	(734)	(18,365)
Closing net book amount	19,678	95,070	2,213	116,961
Year ended 30 June 2024				
Opening book amount	22,981	90,377	708	114,066
Additions	-	-	2,709	2,709
Remeasurements	273	26,592	-	26,865
Depreciation	(2,069)	(15,642)	(470)	(18,181)
Closing net book amount	21,185	101,327	2,947	125,459

(d) Provisions

Material accounting policies – provisions

Recognition of a provision

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation resulting from a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the reporting period in which the employees render the related services, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee obligations are presented within trade and other payables.

Other long-term employee benefit obligations

The Group has liabilities for long-service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are recognised in provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Material accounting policies – employee benefits, including on-costs

The current portion includes all unconditional additional leave, annual leave and long-service leave entitlements, including on-costs, where employees have completed the required period of service, and also those where employees are entitled to pro-rata payments in certain circumstances.

The current portion includes the entire amount that the Group does not have an unconditional right to defer settlement of for at least 12 months after the reporting date.

The non-current portion represents the present value of the estimated future cash outflows of long-service leave where there is no probability that the Group could have to pay out the provision within the next 12 months.

Based on past experience, the Group does not expect all employees to take the full amount of current accrued leave or require payment within the next 12 months.

	June 2025 \$'000	June 2024 \$'000
Leave obligations expected to be settled after twelve months	46,242	39,226

Material accounting policies – self-insured workers compensation

The Group self-insures for risks associated with workers compensation for all employees in SA. Outstanding claims are recognised when an incident occurs that may give rise to a claim. They are measured at the cost that the Group expects to incur in settling the claims, discounted using a rate that reflects current market assessments of the time value of money and risks specific to the liability. The provision is based on an actuarial assessment.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the recovery receivable is recognised as an asset when it is probable that the recovery will be received and is measured on a basis consistent with the measurement of the related provision.

In the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the expense recognised in respect of a provision is presented net of any recoveries.

In the Consolidated Statement of Financial Position, the provision is recognised net of a receivable for recoveries when the Group has a legally recognised right to offset the recovery receivable and the provision, and intends to settle on a net basis, or to realise the asset and settle the provision simultaneously.

	June 2025 \$'000			June 2024 \$'000		
	Current	Non-current	Total	Current	Non-current	Total
Employee benefits, including on costs	69,709	10,696	80,405	58,932	10,140	69,072
Self-insured workers compensation	2,693	3,465	6,158	1,373	2,828	4,201
	72,402	14,161	86,563	60,305	12,968	73,273

7. Equity

(a) Share capital

Material accounting policies – ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of, and amounts paid on, shares held.

On a show of hands, every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital; \$274.9m of shares issued as at 30 June 2025 (2024: \$65.0m) have been fully paid.

	Number of shares '000	Amount \$'000
Year ended 30 June 2024		
Opening balance 1 July 2023	65,000	65,000
Balance 30 June 2024	65,000	65,000
Year ended 30 June 2025		
Opening balance 1 July 2024	65,000	65,000
Shares issued	209,859	209,859
Balance 30 June 2025	274,859	274,859

The Company was provided with an equity contribution of \$209.9 million under the EFA on 1 April 2025. In exchange the Company issued an equivalent value of new ordinary shares to the CoA.

(b) Dividends

Material accounting policies – dividends

All dividends declared were paid out of retained earnings.

	June 2025 \$'000	June 2024 \$'000
Final dividend for the year ended 30 June 2024 of 5.8 cents (2023: 15.2 cents) per fully paid share	3,800	9,900
No interim dividend for the year ended 30 June 2025 (2024: 1.1 cents) per fully paid share	-	700
	3,800	10,600

On 28 August 2025 the directors declared a final dividend for the year ended 30 June 2025 of 3.5 cents per ordinary share to be paid on or by 30 October 2025, a total estimated distribution of \$9.5m based on the number of ordinary shares on issue as at 30 June 2025.

Dividend franking account

	June 2025 \$'000	June 2024 \$'000
Class C (30%) franking credits	272,854	261,575

The above available amounts are based on the balance of the dividend franking account at year-end, adjusted for franking credits that:

- will arise from the payment of the amount of the provision for income tax;
- will arise from the receipt of dividends recognised as receivables at year-end; and
- the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

8. Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

	June 2025 \$'000	June 2024 \$'000
Profit after income tax	15,835	18,978
Adjustment for		
Depreciation and amortisation	35,688	38,399
Interest received	(8,169)	(8,378)
Interest expense	5,839	5,261
Non-cash net pension asset expense	(40)	23
Loss allowance recognised	(3,598)	-
(Profit)/loss on sale of assets	(148)	(1,150)
Other	3,913	(271)
Net exchange differences	429	97
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(120,600)	71,194
(Increase)/decrease in contract assets	(1,962)	5,187
(Increase)/decrease in other current assets	(5,288)	3,778
(Increase)/decrease in deferred tax assets	(2,876)	(14,579)
Increase/(decrease) in trade and other payables	19,057	9,915
Increase/(decrease) in contract liabilities	32,007	(37,160)
Increase/(decrease) in other current liabilities	(7,256)	(397)
Increase/(decrease) in provisions	13,290	7,492
Increase/(decrease) in current tax liability	(6,625)	6,325
Net cash inflow/(outflow) from operating activities	(30,504)	104,714

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Advances \$'000	Lease liabilities \$'000	Non-interest bearing liabilities \$'000	Total \$'000
Balance at 1 July 2023	56,954	121,236	135	178,325
Additions	34,506	2,709	-	37,215
Remeasurements	-	26,865	-	26,865
Advances repaid	(32,000)	-	-	(32,000)
Net financing cash flows	-	(16,893)	-	(16,893)
Non-cash changes:				
Advances reclassified due to milestone achievements	(13,466)	-	-	(13,466)
Advances receivable	-	-	-	-
Balance at 30 June 2024	45,994	133,917	135	180,046
Balance at 1 July 2024	45,994	133,917	135	180,046
Additions	-	-	-	-
Remeasurements	-	9,867	-	9,867
Advances repaid	-	-	-	-
Net financing cash flows	-	(17,006)	-	(17,006)
Non-cash changes:				
Advances reclassified due to milestone achievements	-	-	-	-
Advances receivable	-	-	-	-
Balance at 30 June 2025	45,994	126,778	135	172,907

9. Financial and Capital Risk Management

Financial risk management

The Group's activities expose it to a variety of financial risks. This note presents information about that exposure, the Group's objectives, policies and processes for measuring and managing risk, and its management of capital.

The ASC Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has charged its Audit Committee with responsibility for overseeing how management monitors compliance with the Group's financial risk management policies and procedures. It also reviews the adequacy of the Group's financial risk management framework. The Audit Committee is assisted in its oversight role by Group Internal Audit, which regularly reviews financial risk management controls and procedures and reports back to the Audit Committee.

The Board has also established the BASC, which is responsible for the oversight of risks. Both committees report regularly to the Board on their activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Cash and cash equivalents and Other financial assets

The Group limits its exposure to credit risk by only investing in liquid investments with counterparties that have a credit rating of at least A3 aligned to external credit rating company Moody's. The Group also has policies that limit the amount of credit exposure to any one financial institution based on their credit rating. The lower the independent credit rating, the lower the credit exposure allowed. Given this approach, ASC management does not expect any counterparty to fail to meet its obligations.

Trade and other receivables

The group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables and contract assets.

The Group's credit exposures to customers – including trade and other receivables, and contract assets – are substantially from the CoA, which has an credit rating of Aaa per external credit rating company Moody's.

Guarantees

Credit risk arises in relation to financial guarantees given to certain parties (see note 12 for details). Such guarantees are issued in accordance with the Group's corporate management policies and are only provided to support a financial or commercial arrangement.

Recognised financial instruments

	June 2025 \$'000	June 2024 \$'000
A3 or higher rated cash at bank, term deposits and interest receivable		
Cash and cash equivalents	190,909	232,366
Other financial assets	181,000	-
Interest receivable	2,008	282
	373,917	232,648
Trade and other receivables		
Counterparties with external credit rating Aaa (CoA)	222,256	101,314
Credit rating not determined	2,358	4,426
Total trade and other receivables	224,614	105,740
Contract assets		
Counterparties with external credit rating Aaa (CoA)	11,971	10,009
Credit rating not determined	-	-
Total contract assets	11,971	10,009

The credit risk on Group financial assets that are recognised on the Consolidated Statement of Financial Position is the carrying amount, net of any loss allowance provisions as summarised above.

The Group receives a substantial portion of its funding from the CoA, which has a Moody's credit rating of Aaa. Therefore, the Group has immaterial exposure to credit risk in its operations.

Ageing profile

	June 2025		June 2024	
	Gross carrying amount \$'000	Effective loss rate	Gross carrying amount \$'000	Effective loss rate
Trade and other receivables				
Not past due	218,168	0.00%	96,985	3.71%
Past due 1-30 days	6,839	0.00%	11,771	0.00%
Past due 31-60 days	335	0.00%	205	0.00%
Past due 61-90 days	-	0.00%	131	0.00%
Past due 90+ days	1,280	0.00%	528	0.00%
	226,622		109,620	

The balance of contract assets was not past due at 30 June 2025 and 30 June 2024. The effective loss rate on contract assets was nil (2024: nil).

Loss allowance provision

The write down of trade receivables recognised during the year ended 30 June 2025 was nil (2024: nil).

The loss allowance provisions for trade receivables reconciles to the opening loss allowance provision as follows:

	June 2025 \$'000	June 2024 \$'000
Opening balance	(3,598)	(3,885)
(Increase)/decrease in loss allowance provision recognised in profit or loss	-	-
Reversal/(written off) of loss allowance provision	3,598	287
Closing balance	-	(3,598)

The loss allowance provision for contract assets was nil at 30 June 2025 and 30 June 2024.

Loss allowance provisions represent expected credit losses on amounts to be received. They have been determined based on specific circumstances and are not directly attributable to the ageing of receivables balances.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking reputational damage.

Group Treasury aims to ensure flexibility in liquidity by maintaining sufficient working capital and access to facilities.

Lines of credit

The Group maintains the following lines of credit:

- \$47.0m overdraft facility not drawn down at balance date (2024: \$47.0m). The facility does not have an expiry date but is reviewed annually by the provider. If drawn down, interest would be payable at the rate of the Bank Bill Swap Rate plus margin;
- \$30.0m multi-option bank facility not drawn down at balance date (2024: \$30.0m). The facility is reviewed annually by management and the provider. If drawn down, interest would be payable at the rate of the Bank Bill Swap Rate plus margin;
- \$30.0m Transaction Negotiation Authority (TNA) facility not drawn down at balance date (2024: \$30.0m). The TNA facility gives the authority to process payment files up to a nominated amount, regardless of the related bank account balance. The facility is reviewed annually by management and the provider. If drawn down, interest would be payable at the rate of the Bank Bill Swap Rate plus margin;

- \$7.5m guarantee facility not drawn down at balance date (2024: \$7.5m). \$3.9m of guarantees are issued against the facility (2024: \$3.4m). The facility is reviewed annually by management; and
- \$0.8m credit card facility, \$0.0m drawn down at balance date (2024: \$0.8m facility, \$0.1m drawn down). The facility is reviewed annually by management.

The Group holds advance funding from the CoA under the SSTP MSA. The SSTP advance funding at the end of the financial year was \$7m (2024: \$7m). The SSTP advance will be repaid in the next financial year, subsequent to the end of the contract term and the financial year true-up.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groups based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months \$'000	6 - 12 months \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount (assets)/ liabilities \$'000
At 30 June 2025							
Non-derivatives							
Trade and other payables	101,032	-	-	-	-	101,032	101,032
Lease liabilities	11,959	11,790	23,525	80,439	19,765	147,478	126,778
Advances	-	7,000	38,994	-	-	45,994	45,994
Non-interest bearing	-	-	-	-	160	160	135
Total non-derivatives	112,991	18,790	62,519	80,439	19,925	294,664	273,939

At 30 June 2024							
Non-derivatives							
Trade and other payables	89,445	-	-	-	-	89,445	89,445
Lease liabilities	15,640	15,648	30,843	102,278	32,808	197,217	133,917
Advances	-	7,000	-	38,994	-	45,994	45,994
Non-interest bearing	-	-	-	-	160	160	135
Total non-derivatives	105,085	22,648	30,843	141,272	32,968	332,816	269,491

The comparative contractual maturity of Advances as at 30 June 2024 have been re-classified from 6-12 months, to between 2 and 5 years, reflecting the impact of adoption of the amendment to accounting standards.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Foreign exchange risk

Fluctuations on foreign exchange rates for the Group are generally recoverable from their commercial and contractual arrangements. The consolidated entity did not have any outstanding foreign exchange contracts as at 30 June 2025 and 30 June 2024.

The carrying amounts of the financial assets and the liabilities of the Group are denominated in Australian dollars except as set out below. All figures are expressed in Australian dollars.

	June 2025					June 2024			
	USD	EUR	GBP	NOK	SEK	USD	EUR	GBP	SEK
Financial assets									
Cash and cash equivalents	3,081	14,114	1,965	-	3,960	1,295	6,798	2,034	563
Trade and other receivables	-	3,701	20	-	3,058	862	14,818	1,271	2,256
Financial liabilities									
Trade and other payables	1,147	2,191	549	18	3,059	140	10,508	12	1,882

Interest rate risk

As the Group holds term interest-bearing assets, the Group's income and operating cash flows are exposed to changes in market interest rates. The Group's investment policy permits investment in deposits with banks and securities issued by state governments or the CoA.

As a general rule, the Group holds these investments to maturity, thereby reducing exposure to changes in market value.

The Group's exposures to interest rate risk are set out below, along with the effective weighted average interest rates for classes of financial assets and liabilities:

	June 2025		June 2024	
	Gross carrying amount \$'000	Effective interest rate	Gross carrying amount \$'000	Effective interest rate
Financial assets				
Cash and cash equivalents	190,909	4.14%	232,366	3.79%
Other financial assets	181,000	4.51%	-	0.00%
Financial liabilities				
Lease liabilities	147,478	4.54%	133,917	3.74%
Non-interest bearing liabilities	160	0.25%	135	0.25%

The effective interest rate of the non-interest-bearing liabilities reflects the effective discount rate applied in calculating the liabilities' present value.

Sensitivity

At 30 June 2025, if market interest rates had a parallel shift of +75 basis points/-100 basis points from year-end rates, assuming all other variables held constant, equity and profit or loss would have increased (decreased) by the amounts shown below. The main interest rate risk arises from cash receivables and loans and other receivables with variable interest rates.

Summarised sensitivity analysis

	Impact on PAT		Impact on other equity	
	June 2025 \$'000	June 2024 \$'000	June 2025 \$'000	June 2024 \$'000
Interest rates - increase by 75 basis points (2024 - 75 bps)*	3,740	2,747	-	-
Interest rates - decrease by 100 basis points (2024 - 100 bps)*	(4,987)	(3,663)	-	-

*Holding all other variables constant.

(d) Capital risk

The Group’s objectives in managing capital are to safeguard the ability to continue as a going concern, such that the Group may continue to provide returns for the shareholder benefits for other stakeholders and sustain future business development. The Group monitors the return on capital.

There were no changes in the Group’s approach to capital risk management during the current year.

The financial undertakings in relation to the multi-option bank facility are as follows:

- interest coverage ratio to be greater than 3.5 times as at the end of the financial year;
- gearing ratio to be less than 50% as at the end of the financial year; and
- leverage ratio to be less than 3.5 times as at the end of the financial year.

The multi-option bank facility remains undrawn as at 30 June 2025 and 30 June 2024.

10. Interest in Other Entities

Material subsidiaries

The Company's principal subsidiaries at 30 June 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business. All subsidiaries have reporting dates of 30 June.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group		Principal activities
		2025 %	2024 %	
ASC AWD Shipbuilder Pty Ltd	Australia	100.0	100.0	Operating under the MSO
ASC OPV Shipbuilder Pty Ltd	Australia	100.0	100.0	Subcontractor for Luerssen Australia, construction of two OPVs
Australian Submarine Corporation, LLC	United States	100.0	100.0	Support with international activities aligned with AUKUS programs
Australian Submarine Corporation Limited	United Kingdom	100.0	100.0	Support with international activities aligned with AUKUS programs
ASC SSN-AUKUS Pty Ltd	Australia	100.0	-	Contract with the ASA in relation to the SSN AUKUS mobilisation program
ASC Modules Pty Ltd	Australia	100.0	100.0	Dormant
Deep Blue Tech Pty Ltd	Australia	100.0	100.0	Dormant

11. Commitments

(a) Capital expenditure commitments

	June 2025 \$'000	June 2024 \$'000
Property, plant and equipment and intangible assets	3,125	1,212

(b) Non-cancellable leases

	June 2025 \$'000	June 2024 \$'000
Non-cancellable future short-term and low-value leases not provided for in the financial statements and payable		
Within one year	388	679
Later than one year but not later than five years	140	250
Later than five years	-	-
	528	929

(c) Other commitments

The Group has commitments for expenditure in respect of contracts with subcontractors for the supply of constituent elements required under the Group's contracts with the CoA. The final amount of these commitments is not quantifiable. The timing of the Group's commitments for this expenditure is matched by a corresponding receivable from the CoA. These future receivables are expected to exceed the maximum value of the commitments for expenditure.

12. Contingent Liabilities

The Group has arranged for the issuance of a bank guarantee in favour of ReturnToWorkSA for the purpose of self-insurance under the *Return to Work Regulations 2015*; a bank guarantee in favour of the DoD for the purpose of a performance security deed for the Training Services Contract (TSC, for the delivery of RAN submarine crew training); and bank guarantees in favour of lessors for leased facilities. The total value of the Group's bank guarantees is \$4.9m (2024: \$4.4m). No liability has been recognised by the Group in relation to these guarantees. See note 9(b) for total available bank facilities.

The Group has provided an indemnity to the CoA in relation to ASC AWD Shipbuilder Pty Ltd's obligations under the ASC MSO. The indemnity terminates in December 2025.

No losses are expected in relation to these guarantee arrangements.

13. Registered Charges

The CoA holds a fixed charge over the moveable manufacturing plant and equipment owned by the Company in relation to the CCSM ISSC. The charge is held against contract default. There are currently no amounts owing to the CoA in relation to the charge. The carrying amount of the plant and equipment is \$24.1m (2024: \$19.5m).

14. Matters Subsequent to the End of the Financial Year

Apart from the dividend declared, see note 7(b), no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

15. Economic Dependency

During the years ended 30 June 2025 and 30 June 2024, the majority of the Group's revenues from contracts with customers were related to contracts with the CoA.

16. Related Parties

(a) KMP compensation

The KMP compensation included in personnel expenses is as follows:

	June 2025 \$'000	June 2024 \$'000
Short-term employee benefits	6,296	4,424
Post-employment benefits	334	222
Other long-term benefits	668	559
	7,298	5,205

There were thirteen KMP during the current financial year (2024: 14).

(b) Loans to KMP

No loans were made available to KMP during the financial year (2024: nil).

(c) Other KMP transactions with the consolidated entity

There have been no transactions with KMP during the financial year (2024: nil).

(d) Subsidiaries

Interests in subsidiaries are set out in note 10.

(e) Directors

The following were directors of ASC Pty Ltd during the entire financial year up to the date of this report, unless otherwise noted:

- Bruce James Carter AO
- Geoffrey Roland Rohrsheim
- Dr Janis Louise Cocking PSM
- Dr Rosalind Vivienne Dubs (ceased 31 December 2024)
- Loretta Anne Reynolds
- Alice Morrice Williams
- Stuart Paul Whiley AM

(f) Other related parties

Australian Government ministers

There have been no transactions with any Australian Government ministers during the financial year (2024: nil).

Shareholders

In performing its contracts, the Group has transacted on normal commercial terms and conditions with its shareholder, the CoA and its related entities. The CoA is the ultimate parent entity.

(g) Transactions with other related parties

During the year, the amounts received or receivable by the consolidated entity from the CoA for various projects was \$950.8m (2024: \$810.6m).

Certain expenditure incurred by the Group on behalf of the shareholder has been recharged and will be settled in accordance with normal commercial terms and conditions.

(h) Balances with shareholders

The gross amounts receivable from the shareholders in relation to these transactions totalled \$222.3m (2024: \$104.9m).

(i) Advances from the CoA and its related parties

Government advances	June 2025 \$'000	June 2024 \$'000
Balance 1 July	45,994	56,954
Repayment of advances	-	(32,000)
Proceeds from advances	-	34,506
Advances reclassified due to milestone achievements	-	(13,466)
Advances receivable	-	-
Balance 30 June	45,994	45,994

17. Parent Entity Financial Information

(a) Material accounting policies – parent entity financial information

The financial information for the parent entity disclosed above has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

Financial guarantees

Where the parent entity has provided financial guarantees in relation to ASC subsidiaries' loans and payables for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the investment's cost.

(b) Summary financial information

The individual financial statements for ASC Pty Ltd (the Company or the parent entity) show the following aggregate amounts:

Balance sheet	June 2025 \$'000	June 2024 \$'000
Current assets	600,339	348,334
Non-current assets	281,713	247,458
Total assets	882,052	595,792
Current liabilities	252,488	258,282
Non-current liabilities	201,023	130,194
Total liabilities	453,511	388,476
Shareholders equity		
Share capital	274,859	65,000
Retained earnings	153,682	142,316
Total equity	428,541	207,316
Profit after income tax	13,690	12,191
Other comprehensive income/(loss)	(41)	(104)
Total comprehensive income/(loss)	13,649	12,087

The parent entity made a 100% provision against intercompany loans to its subsidiary ASC AWD Shipbuilder Pty Ltd of \$5.3m (2024: \$5.0m).

(c) Guarantees entered into by the parent entity

The Company has arranged for the issuance of a bank guarantee in favour of ReturnToWorkSA for the purpose of self-insurance under the *Return to Work Regulations 2015*; a bank guarantee in favour of the DoD for the purpose of a performance security deed for the Training Services Contract (TSC, for the delivery of RAN submarine crew training); and bank guarantees in favour of lessors for leased facilities. The total value of the Company’s bank guarantees is \$4.9m (2024: \$4.4m). No liability has been recognised by the Company in relation to these guarantees (see note 9(b) for total available bank facilities).

(d) Financial support by the parent entity

The Company has committed to provide financial support to the following subsidiaries to enable them to pay their debts as and when they become due and payable:

- ASC AWD Shipbuilder Pty Ltd;
- ASC OPV Shipbuilder Pty Ltd;
- ASC SSN-AUKUS Pty Ltd;
- Australian Submarine Corporation, LLC; and
- Australian Submarine Corporation Limited.

(e) Contingent liabilities of the parent entity

For information about contingent liabilities and guarantees entered into by the parent entity, see notes 12 and 17(c).

(f) Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2025, the parent entity had contractual commitments for the acquisition of property, plant and equipment and intangible assets totalling \$3.1m (2024: \$1.2m). These commitments are not recognised as liabilities, as the relevant assets have not yet been received.

18. Remuneration of Auditors

During the year, the following fees were paid or payable by the Group’s auditor.

(a) Audit and other assurance services (ANAO)

	June 2025 \$'000	June 2024 \$'000
Audit and review of financial statements	289	357

(b) Audit and other assurance services (ANAO)

	June 2025 \$'000	June 2024 \$'000
Agreed upon procedures - remuneration services	26	25

ANAO contracted RSM to provide the agreed upon procedures for the year ended 30 June 2025 and PwC for the prior year ended 30 June 2024.

19. Summary of Other Material Accounting Policies

This note provides other material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in previous notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

ASC Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

ASC Pty Ltd
694 Mersey Road North
Osborne SA 5017

The consolidated financial statements for the year ended 30 June 2025 comprise of ASC Pty Ltd (the Company) and its subsidiaries (together referred to as the Group or the consolidated entity). The consolidated financial statements are presented in Australian dollars.

The consolidated financial statements were authorised for issue on 28 August 2025. The directors have the power to amend and reissue financial statements.

(a) Basis of preparation

These general-purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the AASB and the *Corporations Act 2001*. The Group is a for-profit entity for the purpose of preparing the consolidated financial statements.

The accounting policies have been applied consistently by all entities within the Group.

Compliance with International Financial Reporting Standards (IFRS)

The Group's consolidated financial statements comply with Australian Accounting Standards as issued by the AASB.

The statements also comply with IFRS, as issued by the International Accounting Standards Board.

Historical cost convention

These consolidated financial statements have been prepared under the historical cost basis, except for the following:

- financial assets and liabilities – measured at fair value; and
- retirement benefit obligations – plan assets measured at fair value.

Rounding of amounts

The Group is of a kind referred to in Instrument 2016/191, issued by ASIC, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with the Instrument, unless otherwise stated.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The Group has applied the following standards and amendments for the first time for its annual reporting period that commenced 1 July 2024:

Standard or Amendment	Impact
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> and related AASB 2020-6.	The Group has adopted these amendments and assessed the impact on all liabilities. The Group has reclassified advances on the Consolidated Statement of Financial Position. The comparative advances have been reclassified for presentation and comparability by users.
AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	The Group has adopted these amendments, there were no impacts to the classification of liabilities on the Consolidated Statement of Financial Position.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability

This amendment is applicable to annual reporting period beginning on or after 1 January 2025 and early adoption is permitted. The amendment will change the accounting requirements and add new disclosures relating to non-exchangeable currencies affecting an entity's financial statements. The Group will adopt this amendment from the financial year ending 30 June 2026 and it is not expected to have a material impact on the Group.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 *Presentation of Financial Statements*, with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the consolidated financial statements. But the standard will affect presentation and disclosure in the consolidated financial statements, including introducing five categories in the Consolidated Statement of Profit or Loss and Other Comprehensive Income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as EBITDA or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from the financial year ending 30 June 2028 and it is expected that there will be a significant change to the layout of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company (subsidiaries) during and up to the end of the reporting period.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the entity's activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Details of the subsidiaries are set out in note 10.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with Group policies.

(d) Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (unless otherwise stated), which is the Company's presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using either program-specific contract exchange rates or average exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges, or are attributable to part of the net investment in a foreign operation.

Foreign exchange differences arising in respect of contract work in progress, to the extent they are recoverable, are included in the measurement of the contract billings and work-in-progress costs. To the extent they are not recoverable, foreign exchange gains and losses are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss; translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is only recognised in profit or loss if the foreign operation or net investment is disposed of.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the asset's acquisition cost or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Consolidated Entity Disclosure Statement

Set out below is relevant information relating to entities that are consolidated in ASC Pty Ltd's consolidated financial statements at the end of the financial year, as required by the *Corporations Act 2001* (paragraph 295(3A)(a)).

As at 30 June 2025						
Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
ASC Pty Ltd	Body corporate	-	N/A	Australia	Australian	N/A
ASC AWD Shipbuilder Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
ASC OPV Shipbuilder Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
ASC SSN-AUKUS Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
Australian Submarine Corporation, LLC	Body corporate	-	100	US	Both	US*
Australian Submarine Corporation Limited	Body corporate	-	100	UK	Both	UK*
ASC Modules Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
Deep Blue Tech Pty Ltd	Body corporate	-	100	Australia	Australian	N/A

**In December 2024, the Government enacted amendments to clarify consolidated entity disclosure statement (CEDS) disclosures for financial years commencing on or after 1 July 2024. The Amending Act mandates disclosure of whether each entity is an Australian tax resident and to list the foreign jurisdiction(s) of which each entity is also a tax resident. These entities are a tax resident in their respective countries of incorporation. However, they are also assessed as an Australian resident under the Income Tax Assessment Act 1936 and 1997. Accordingly, the CEDS discloses these entities are Australian tax residents and also lists the foreign jurisdiction of which they are also a tax resident.*

Basis of preparation

This CEDS has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the 30 June 2025 financial year in accordance with AASB 10 *Consolidated Financial Statements*.

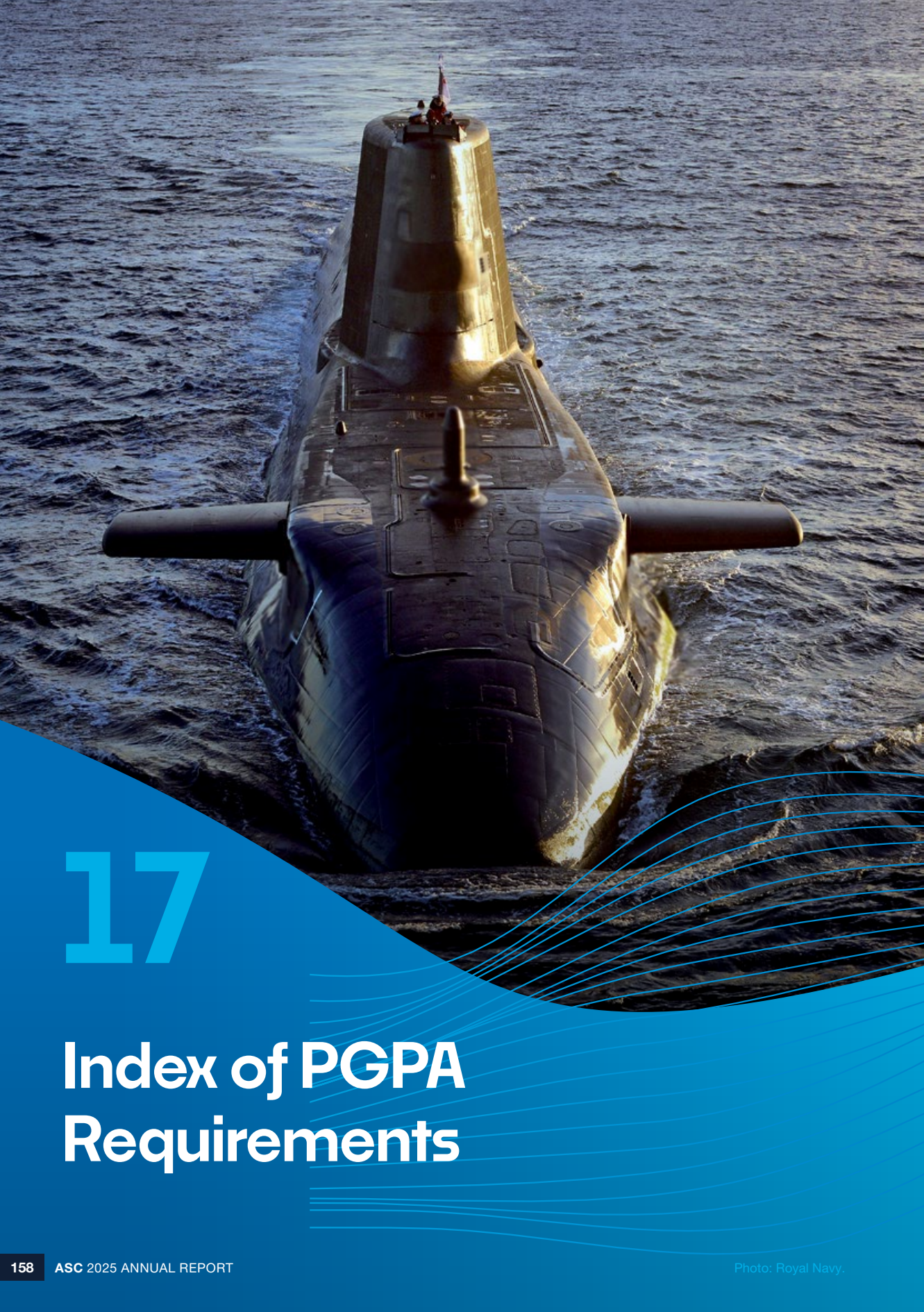
Disclosure of tax residency

Subsection 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the CEDS be disclosed. In the context of an entity which is an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1936* and *1997* (the Acts). Foreign incorporated companies can still be considered a tax resident of Australia if their central management and control is in Australia. An entity can be both, an Australian tax resident under the Acts, and a tax resident in another foreign jurisdiction under the tax law applicable in that jurisdiction.

Where an entity is not an Australian tax resident but is a foreign tax resident based on the Australian domestic law definition, then each foreign country in which the entity is a tax resident (as determined under the law of foreign jurisdictions) must be disclosed. However, where an entity is an Australian tax resident and a tax resident of a foreign jurisdiction, the CEDS must identify whether the entity is an Australian tax resident and list any foreign jurisdictions where the entity is also a tax resident.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and legal precedent, including having regard to the Commissioner of Taxation's public guidance in *Taxation Ruling TR 2018/5 Income tax: central management and control test of residency*.
- Foreign tax residency: The consolidated entity has applied current legislation and legal precedent in the determination of foreign residency.



17

Index of PGPA Requirements

Index of PGPA Requirements

PGPA Rule Reference	Part of Report	Description	Requirement
28E		Contents of annual report	Mandatory
28E(a)	9, 90, 91	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(aa)	19-22, 25, 26, 31, 35, 36, 43-50, 61, 62, 101, 104	The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period	Mandatory
28E(b)	7	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
28E(c)	72	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	If applicable, mandatory
28E(d)	N/A	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(e)	N/A	(a) Particulars of non compliance with: (b) (a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or (c) (b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(f)	68-70	Information on each director of the company during the reporting period	Mandatory
28E(g)	67	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E(ga)	62	(d) Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (e) (a) statistics on full time employees; (f) (b) statistics on part time employees; (g) (c) statistics on gender; (h) (d) statistics on staff location	Mandatory

Index of PGPA Requirements

PGPA Rule Reference	Part of Report	Description	Requirement
28E(h)	19-22, 26, 90, 91	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E(i)	71-74, 76, 77	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory
28E(j), 28E(k)	77	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
28E(l)	90-94	Any significant activities or changes that affected the operations or structure of the company during the reporting period	If applicable, mandatory
28E(m)	N/A	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	If applicable, mandatory
28E(n)	96, 98-100	Particulars of any reports on the company given by: (a) the Auditor General, or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner; or (e) the Australian Securities and Investments Commission	If applicable, mandatory
28E(o)	N/A	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	If applicable, mandatory
28E(oa)	79-84	Information about executive remuneration	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
28E(ob)		The following information about the audit committee for the company:	Mandatory
	73	(a) a direct electronic address of the charter determining the functions of the audit committee;	
	71	(b) the name of each member of the audit committee;	
	69	(c) the qualifications, knowledge, skills or experience of each member of the audit committee;	
	71	(d) information about each member's attendance at meetings of the audit committee;	
	80, 81	(e) the remuneration of each member of the audit committee	
28F		Disclosure requirements for government business enterprises	If applicable, mandatory
28F(1)(a)(i)	90-94	An assessment of significant changes in the company's overall financial structure and financial conditions	If applicable, Mandatory
28F(1)(a)(ii)	90-94	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition	If applicable, mandatory
28F(1)(b)	93, 103, 104	Information on dividends paid or recommended	If applicable, mandatory
28F(1)(c)	N/A	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
28F(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory



18

Corporate Directory

Corporate Directory

Directors

Bruce Carter AO

Chair

Stuart Whiley AM

CEO and MD

Loretta Reynolds

Geoff Rohrsheim

Dr Janis Cocking PSM

Alice Williams

Company Secretary

Ivan Witt

Auditors

ANAO and RSM

(subcontractor auditor for ANAO)

Bankers

Westpac Banking Corporation

ASC North

(Registered and Head Office)
694 Mersey Road North
Osborne SA 5017

Postal address

GPO Box 2472
Adelaide SA 5001

Phone +61 8 8348 7000

ASC West

20 Nautical Drive
Henderson WA 6166

Postal address

GPO Box 599
Rockingham WA 6168

Phone +61 8 9410 4100

Useful Email Contacts

Employment Opportunities

careers@asc.com.au

Media Queries

communications@asc.com.au

Supply Chain Queries

ASCsupplychain@asc.com.au

Other Queries

info@asc.com.au

Website

ASC's Annual Reports can be found at:

asc.com.au >

Find ASC on







ASC Pty Ltd

ACN 008 605 034

Registered and Head Office

694 Mersey Road North, Osborne

South Australia 5017

T +61 8 8348 7000

F +61 8 8348 7001

W asc.com.au

Find ASC on:

