

Response to Question on Notice

SENATE ECONOMICS REFERENCES COMMITTEE

Naval shipbuilding public hearing

SPECIFIC QUESTIONS ON NOTICE

Question 1

1. At the 20 June 2017 hearing of the Naval Shipbuilding Inquiry the CEO of DCNS Australia indicated that he had a “gentleman’s agreement” with ASC in relation to “a controlled measure of transfer of personnel from one entity [ASC] to the next [DCNS]”.
 - a. Can ASC confirm that it has made such an agreement with DCNS?
 - b. On what date was the agreement made?
 - c. Please provide the status of this agreement and the force that ASC gives it?
 - d. Please provide a copy of this agreement to the Committee?

ASC Response

During meetings attended by senior representatives from ASC and Naval Group Australia (formerly DCNS Australia) on 20 and 28 April 2017, a framework for engagement was discussed with the aim of ensuring that planning in relation to the Future Submarine Program and the Collins Submarine Program did not impact adversely on either program. There is no agreement with Naval Group Australia in relation to the controlled measure of transfer of personnel from ASC.

Question 2

2. Please provide the committee with details of the following:
 - a. Dates of all meetings between ASC executives and DCNS (or subsidiary company) executives since the commencement of the Submarine Competitive Evaluations Process.
 - b. The purpose for each meeting. (please ensure this answers also indicates if the “gentleman’s agreement”, referred to in question 1, was discussed)

ASC Response

ASC lists in Annexure A all of the meetings between ASC and Naval Group (formerly DCNS) and Naval Group Australia attended by executives from the respective parties.

b. See response to Question 1.

Question 3

3. On what date did ASC become aware that they would not have any substantive involvement in the future submarine project?
 - a. Was the Shareholder Minister informed of this?
 - b. If so, on what date?

ASC Response

3. ASC is not aware that it will not have any substantive involvement in the future submarine program. ASC continues to have a role in the Future Submarine Program and currently has 24 ASC expert staff seconded to the Commonwealth's SEA1000 Project Office and one employee seconded to Naval Group Australia. Further secondments and/or other contractual arrangements are anticipated.

Question 4

4. On what date did ASC become aware that its workforce would be “absorbed” or “consumed” by DCNS?
 - a. Was the Shareholder Minister informed of this?
 - b. If so, on what date?

ASC Response

4. ASC is not aware nor has it been advised that it will be “absorbed”, or “consumed”, by Naval Group or Naval Group Australia.

Question 5

5. On what date does ASC anticipate its workforce being “absorbed” or “consumed” by DCNS?
 - a. Has the Shareholder Minister been informed of this date?
 - b. If so, on what date?

ASC Response

5 ASC does not anticipate its workforce being “absorbed” or “consumed” by Naval Group or Naval Group Australia.

Annexure A
Meetings

Date	Purpose
15 April 2015	ASC North site visit and presentation
21 - 27 May 2015	Workshop as part of the Competitive Evaluation Process (CEP) covering a broad range of business activities and lessons learnt relevant to the Future Submarine program.
2 - 5 June 2015	ASC CEP Team visit to DCNS France Shipyard for meeting and tour
28 July 2015	Meeting to prepare for upcoming visits by DCNS to ASC in August
4 - 6 August 2015	Meetings to discuss Combat System Integration, Build Strategy, Technical Transfer, Intellectual Property, Commercial
17 - 20 August 2015	Workshops covering Build Strategy and Information Systems
10 September 2015	Preparation for ASC's presentation to Committee for Economic Affairs of the French Senate including DCNS personnel together with a site tour
28-29 September 2015	DCNS personnel on site at ASC North to discuss Corrosion & Preservation
8 October 2015	Discussion of Training and ASC West Facilities
22 October 2015	Meeting to discuss future working relationship.
18 November 2015	General facility tour for Mr Guillou including ASC overview presentation
17 December 2015	Meeting to discuss future working relationship.
2 February 2016	Continuing Discussions with DCNS and to develop agenda for CEO visit to France in February
11 February 2016	Meeting with ASC Chairman for general business discussion

16 February 2016	ASC visit to DCNS in France to obtain feedback on ASC engagement during CEP Phase and exploring future working relationships
1 March 2016	Finalisation of details for visit of French Defence Minister, Mr Jean-Yves Le Drian.
8 March 2016	Meeting to discuss proposed plan moving forward
8 - 9 March 2016	Supply Chain workshop
17 March 2016	Finalisation of Supply Chain discussions
25 May 2016	Overview of ASC together with site tour of ASC South and ASC North
18 July 2016	Overview of ASC together with site tour of ASC South and ASC North
22 September 2016	Meeting between ASC, DCNS Australia and CASG to discuss future working relationship.
5 October 2016	Meeting to discuss future working relationship.
20 October 2016	Meeting to discuss Supply Chain and Infrastructure
8 - 9 November 2016	Meeting to discuss future working relationship
17 - 24 November 2016	Site survey by DCNS Australia and DCNS to gather information regarding facilities, infrastructure, industrial processes and human resources
20 April 2017	Discuss the synergies between the parties and how they can support each other. Potential creation of an “Engagement Framework”. Discuss facilities secondment opportunity
28 April 2017	Negotiation of the Engagement Framework with 8 key areas. Discuss facilities secondment
12 May 2017	Discussion regarding Engagement Framework and facilities secondment