

Senate Economics References Committee
Inquiry into Future of Australia's Naval Shipbuilding Industry
ANSWERS TO QUESTIONS ON NOTICE
PUBLIC HEARING – GLENELG, SA – 22 July 2015

ASC Pty Ltd

Topic: Did ASC put in a bid or expression of interest for Project 1654

Senator: XENOPHON

Question:

Senator XENOPHON: I have a supplementary that may cut to the chase here. Did the ASC put in a bid or an expression of interest involved in project 1654, which is the supply ships contract?

Mr Whiley: The answer to that is yes.

Senator XENOPHON: What year was that?

Mr Whiley: Again, I am not sure. About three years ago.

Mr Edwards: Three years ago. None of us were involved in that, so—

Senator XENOPHON: But you did. So, by implication, the ASC had the capacity to do both.

Mr Whiley: Yes.

Senator XENOPHON: Thank you.

Senator EDWARDS: And what happened to that?

Senator CONROY: The Liberal government sent them offshore.

Senator EDWARDS: No, what happened to that? It was the former government that asked you to tender for it. What happened? Why didn't they accept your tender?

Mr Edwards: We are unfamiliar with why they—

Mr Whiley: None of us were involved in that feedback, so—

Senator EDWARDS: Was there anybody in your organisation—

Senator CONROY: Stop trying to cover the fact that—

Mr Whiley: We will take the question on notice.

Senator CONROY: the Liberal government decision was to send the supply ships to Spain and South Korea.

CHAIR: Senator Conroy, Senator Edwards has the call.

Senator EDWARDS: You are just trying to protect your really average record, Senator.

Mr Whiley: We can take the question on notice. There will be records of the feedback against our expression of interest. We can provide that answer on notice.

Answer:

ASC did not submit a bid for Project 1654.

Throughout 2013 ASC did express its interest to government and industry in being involved in Project 1654.

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ASC Pty Ltd

Topic: Department of Defence personnel accompanying initial Japanese SEA 1000 Competitive Evaluation Process visit to ASC

Senator: CONROY

Question:

Senator CONROY: In light of this could you please outline what contact the ASC has had with representatives from the Japanese government, Mitsubishi Heavy Industries or Kawasaki Heavy Industries?

Mr Whiley: There was an initial visit to ASC North and West by a Japanese group, which I think I mentioned at Senate estimates. That was basically sponsored by DMO. In subsequent visits—

Senator CONROY: Sponsored by?

Mr Whiley: Organised by. And all subsequent visits have been directly between us and the Japanese team.

Senator CONROY: The sponsored organised visit by DMO—who did that involve?

Mr Whiley: There were numerous people. Again, I would need to—

Senator CONROY: Too many to easily recount off the top of your head?

Mr Whiley: There was David Gould, Greg Sammut and a number of other people inside DMO.

Senator CONROY: So there was DMO. There was Admiral Sammut. He is part of the overall assessment group, is that right?

Mr Whiley: He is leading the CEP.

Senator CONROY: So he came with the Japanese delegation—

Mr Whiley: To ASC North, yes.

Senator CONROY: And he did not attend with the French and the Germans?

Mr Whiley: No.

Senator CONROY: The leader of the evaluation, Admiral Sammut, attended with the Japanese but not with the Germans and the French?

Mr Whiley: On the initial introduction to ASC.

Senator CONROY: He was accompanied by numerous others—and I think you indicated Mr Gould.

Mr Whiley: Yes, Mr Gould was there, and I am sure—

Senator CONROY: If you could give us the names of the others, that would be helpful. Have you had or are you aware of any conversations with respect to any of these Japanese entities purchasing ASC either wholly or partially?

Mr Whiley: No.

Answer:

The following Department of Defence personnel accompanied the Japanese delegation on an introductory meeting (organised by the Department of Defence) with ASC on 26 May 2015 (South Australia) and Thursday, 28 May 2015 (Western Australia):

26 May 2015 – ASC (South Australia)

Mr David Gould, General Manager Submarines, Defence Materiel Organisation
RADM Gregory Sammut, Head Future Submarine Program, Defence Materiel Organisation
Mr Jeremy Redmond, SEA 1000 Project Manager – Japan, Defence Materiel Organisation
Mr David Harvey, Business & Industry Strategic Adviser, Defence Materiel Organisation
CAPT Steven Clements, Translator, Department of Defence – Army
Ms Melanee Lacey, Senior Executive Assistant to General Manager Submarines, Defence Materiel Organisation

28 May 2015 – ASC (Western Australia)

Mr David Gould, General Manager Submarines, Defence Materiel Organisation
Mr David Harvey, Business & Industry Strategic Adviser, Defence Materiel Organisation
Ms Melanee Lacey, Senior Executive Assistant to General Manager Submarines, Defence Materiel Organisation

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ASC Pty Ltd

Topic: How many shipbuilding projects ASC was asked to submit pricing and timing for during the term of the previous government.

Senator: EDWARDS

Question:

Senator EDWARDS: How many shipbuilding projects were commissioned in the previous government's time—six years? How many shipbuilding projects did the ASC get asked to submit pricing and timing for?

Mr Lamarre: I would suggest you probably know the answer to that question, and I can only give you my seven-month view of this. I am sorry I cannot comment on a previous government or previous decisions of government.

Senator EDWARDS: Mr Whiley has been there since Adam's dog was a pup, so he could probably tell us.

Mr Edwards: Can we take the question on notice and we can give you that.

Answer:

None.

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ASC Pty Ltd

Topic: List of Japanese representatives that have visited ASC and length of time on site

Senator: CONROY

Question:

Senator CONROY: Has it just been the Mitsubishi nomination or is there a group around him?

Mr Whiley: He has had a number of participants around him. I am not sure what other companies they work for, or whether they are government, but he has basically been the lead.

Senator CONROY: Can we get a list of who has attended?

Mr Whiley: Yes.

Answer:

ASC has hosted a number of visits by the Japanese as part of the SEA 1000 Competitive Evaluation Process (CEP).

Each visit has been different, dependent on the information being sought from ASC for the purposes of the Japanese's response to the CEP. ASC has established a probity framework and is following a plan that ensures it complies with the principles of engagement set out by the Department of Defence. For commercial reasons, and to ensure the integrity of the CEP, ASC is unable to reveal specific detail about those meetings.

Please refer to ASC's answer to the question on notice about visits to ASC by the Japanese.

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ASC Pty Ltd

Topic: Bid or unsolicited proposal for supply ships

Senator: EDWARDS

Question:

Senator EDWARDS: Were you asked to tender for the supply ships by the government, or was that an unsolicited proposal that you put in?

Mr Whiley: Again, I am not sure of the details and mechanism of how that occurred. We will take that question on notice.

Answer:

ASC was not asked to tender for Project 1654.

Throughout 2013 ASC did express its interest to government and industry in being involved in Project 1654.

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ASC Pty Ltd

Topic: Visits to ASC by DCNS

Senator: CONROY

Question:

Senator CONROY: How many visits has ASC hosted that involve representatives from DCNS and when did the visits occur?

Mr Whiley: I do not have the how many. There have been numerous visits. I will have to come back to you on that.

Senator CONROY: What support did you provide for these visits?

Mr Whiley: Again, I think we are getting into specifics relating to DCNS's specific proposal.

Senator CONROY: Did you have 10 people helping them? Did you spend a day showing them around? That is the sort of thing I am asking about at this moment.

Mr Whiley: I said they had been numerous times to ASC on various aspects of performance and in-country support of submarines.

Senator CONROY: Could you take that on notice and specifically give us an answer on how many times you have hosted DCNS and the level of support that you have provided to them—not what information you have provided them but the assistance you have provided them on site.

Answer:

Since the commencement of the SEA 1000 Competitive Evaluation Process (CEP) ASC has attended meetings with representatives from DCNS on a number of occasions.

On each occasion ASC representatives met with DCNS representatives and provided information relevant to their CEP response. ASC has established a probity framework and is following a plan that ensures it complies with the principles of engagement set out by the Department of Defence. For commercial reasons, and to ensure the integrity of the CEP, ASC is unable to reveal specific detail about the number and content of those meetings.

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ASC Pty Ltd

Topic: Visits to ASC by Japanese

Senator: CONROY

Question:

Senator CONROY: I am happy for you to take this question on notice. How many visits did ASC host that involve representatives from the Japanese government, Mitsubishi or Kawasaki and when did the visits occur? Did any Defence policy people attend that Japanese delegation?

Mr Whiley: I am not aware of any, no.

Senator CONROY: You may not know that they are from the policy division of Defence, as opposed to submarine assessment. For instance, Peter Baxter is not a submarine expert but I understand that he has been involved in this policy process inside of Defence.

Mr Whiley: He was not part of the visit.

Senator CONROY: I am happy for you to take that on notice as well just to confirm it. That will come out when you give us the list of who actually attended. Everyone who attends has to register and be signed in—it is a secure facility. They have to have a pass. It could not have just been somebody tagging along?

Mr Whiley: No. We know who was on site.

Senator CONROY: I would hope so. Again, I am happy for you to take it on notice. What support did you provide for these visits? Which agency was responsible for coordinating and planning each of these visits? You said it was DMO for the first one.

Answer:

Since the commencement of the SEA 1000 Competitive Evaluation Process (CEP) ASC has had meetings with representatives from both Japanese government and business on a number of occasions:

Visits to ASC sites were conducted by a number of Japanese officials on 26 and 28 May 2015, as part of a broader program coordinated by the Department of Defence. Please refer to ASC's answer to the question on notice regarding the Department of Defence personnel that accompanied the Japanese visits on those occasions. No Department of Defence personnel have accompanied the Japanese on subsequent visits.

With respect to ASC's involvement with the Japanese representatives for the CEP, a number of meetings have been held during the CEP.

On each occasion ASC representatives met with Japanese representatives and provided information relevant to their CEP response. ASC has established a probity framework and is following a plan that ensures it complies with the principles of engagement set out by Defence. For commercial reasons, and to ensure the integrity of the CEP, ASC is unable to reveal specific detail about the number and content those meetings.

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ASC Pty Ltd

Topic: Visits to ASC by TKMS

Senator: CONROY

Question:

Senator CONROY: How many visits has ASC hosted that involved representatives from TKMS and when did the visits occur? If the answer is 'numerous visits', I am happy for you to take that on notice.

Mr Whiley: It was numerous visits.

Senator CONROY: What support did you provide to these visits? Again, I would like the same sort of information. Which government agency was responsible for coordinating and planning each of these visits, or did they again phone you direct?

Mr Whiley: They phoned direct. There was no government agency involved.

Senator CONROY: Again, I would like to know what was visited and by whom. Did any other Australian government representative participate in these visits by TKMS?

Mr Whiley: No.

Answer:

Since the commencement of the SEA 1000 Competitive Evaluation Process (CEP) ASC has attended meetings with representatives from TKMS on a number of occasions.

On each occasion ASC representatives met with TKMS representatives and provided information relevant to their CEP response. ASC has established a probity framework and is following a plan that ensures it complies with the principles of engagement set out by the Department of Defence. For commercial reasons, and to ensure the integrity of the CEP, ASC is unable to reveal specific detail about the number and content of those meetings.

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ASC Pty Ltd

Topic: Were ASC asked to build the supply ships in the time of the previous government.

Senator: EDWARDS

Question:

Senator EDWARDS: Were you asked to build the supply ships in the time of the previous government?

Mr Edwards: I will need to take that on notice.

Answer:

No.