

Davidson, Melissa MRS

From: Cuthill, James <Jim.Cuthill@asc.com.au>
Sent: Thursday, 23 November 2017 5:00 PM
To: Sara, Tyson MR
Cc: Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'; Ablong, Marc MR; Fankhauser, Daniel MR 1; 'Lamb, Fleur'; Hosking, Steve MR; Edwards, Martin
Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]
Attachments: 171123_ASC Proposal - Subs Capability Final.pdf

UNCLASSIFIED

Tyson

Please find attached a draft paper detailing the business case for Option 1 – ASC Submarines Capability Improvement.

Please let us know if we can be of any further assistance.

Regards

Jim

Jim Cuthill
GENERAL MANAGER - SHIPBUILDING

ASC Pty Ltd
640 Mersey Road North, Osborne
South Australia 5017
Telephone: 08 7423 4220

S22
Email: jim.cuthill@asc.com.au

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From: Edwards, Martin
Sent: Tuesday, 21 November 2017 8:32 PM
To: Sara, Tyson MR; Cuthill, James
Cc: Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'; Ablong, Marc MR; Fankhauser, Daniel MR 1; 'Lamb, Fleur'; Hosking, Steve MR
Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

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Tyson,
Confirming that we are working on the business case of the 200 transition from ASC Shipbuilding into our Submarine business. This in principal covers 50 above the line into the FSM Program office, 100 Scholarships and 50 in to other elements of our business.

I acknowledge the urgency behind the data request and will confirm tomorrow am the ETA on delivery of the detail – target COB this Thursday.

Will be in touch first thing tomorrow.

Best regards

Martin

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From: Sara, Tyson MR [<mailto:tyson.sara@defence.gov.au>]
Sent: Tuesday, 21 November 2017 2:44 PM
To: Cuthill, James
Cc: Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'; Sara, Tyson MR; Edwards, Martin; Ablong, Marc MR; Fankhauser, Daniel MR 1; 'Lamb, Fleur'; Hosking, Steve MR
Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

UNCLASSIFIED

James,

Thanks – could you please advise when we might receive that data? We are running very short on time to finalise this submission to Government at our Minister's direction, so your earliest delivery of said data will be much appreciated.

Regards,

Tyson Sara
A/First Assistant Secretary
Naval Shipbuilding Task Force
Department of Defence
R1-3-A142 | Russell Offices
P: +61 2 6265 4802 | **S22**

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From: Cuthill, James [<mailto:Jim.Cuthill@asc.com.au>]
Sent: Friday, 17 November 2017 3:36 PM
To: Hosking, Steve MR
Cc: Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'; Sara, Tyson MR; Edwards, Martin; Ablong, Marc MR; Fankhauser, Daniel MR 1; 'Lamb, Fleur'
Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

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Steve

Thank you for the opportunity to present the paper to Defence and Finance on Wednesday. As we discussed during the meeting, once the proposals have been socialised further within Defence, we would be able to provide more detail on any of the them as required.

With regard to the action on Submarine Capability improvement, I am meeting with Stuart Whiley and Martin Edwards this afternoon with a view to providing more information on the option.

Regards

Jim

Jim Cuthill
GENERAL MANAGER - SHIPBUILDING

ASC Pty Ltd
640 Mersey Road North, Osborne
South Australia 5017
Telephone: 08 7423 4220
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Email: jim.cuthill@asc.com.au

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From: Hosking, Steve MR [<mailto:steve.hosking@defence.gov.au>]
Sent: Friday, 17 November 2017 2:10 PM
To: Cuthill, James
Cc: Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'; Sara, Tyson MR; Edwards, Martin; Ablong, Marc MR; Fankhauser, Daniel MR 1; 'Lamb, Fleur'
Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

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Jim,

Thanks for meeting with us on Wednesday – we found it very useful. Regarding the ASC paper you presented (*Options for Shipbuilding Capability Retention*), I will undertake to socialise some of those proposals further within Defence.

To confirm the principal action arising from the meeting, you agreed to provide Defence/Finance with higher fidelity costing data from ASC regarding the specific option of transferring 200 current full time staff from shipbuilding to Collins sustainment. I anticipate this will include clarity around current approved staffing budgets for both endeavours with a view to confirming the funding delta, if any.

Happy to discuss.

Regards,
Steve

Steve Hosking
Naval Shipbuilding Taskforce
Strategic Policy and Intelligence Group
S22

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From: Edwards, Martin [<mailto:Martin.Edwards@asc.com.au>]

Sent: Monday, 13 November 2017 8:58 PM

To: Ablong, Marc MR

Cc: Gillis, Kim MR; Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'; Cuthill, James; Sara, Tyson MR; Hosking, Steve MR

Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

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Marc,

Please find attached an updated Options draft with a further opportunity included and Annex A incorporating further cost detail.

Our Jim Cuthill will be in Canberra this Wednesday and would be available to meet with any of your team to discuss and describe further.

Please let us know if we can be of any further assistance.

Cheers

Martin

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From: Edwards, Martin

Sent: Wednesday, 8 November 2017 5:14 PM

To: 'Ablong, Marc MR'

Cc: Gillis, Kim MR; Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'; Cuthill, James; Sara, Tyson MR; Hosking, Steve MR

Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

UNCLASSIFIED

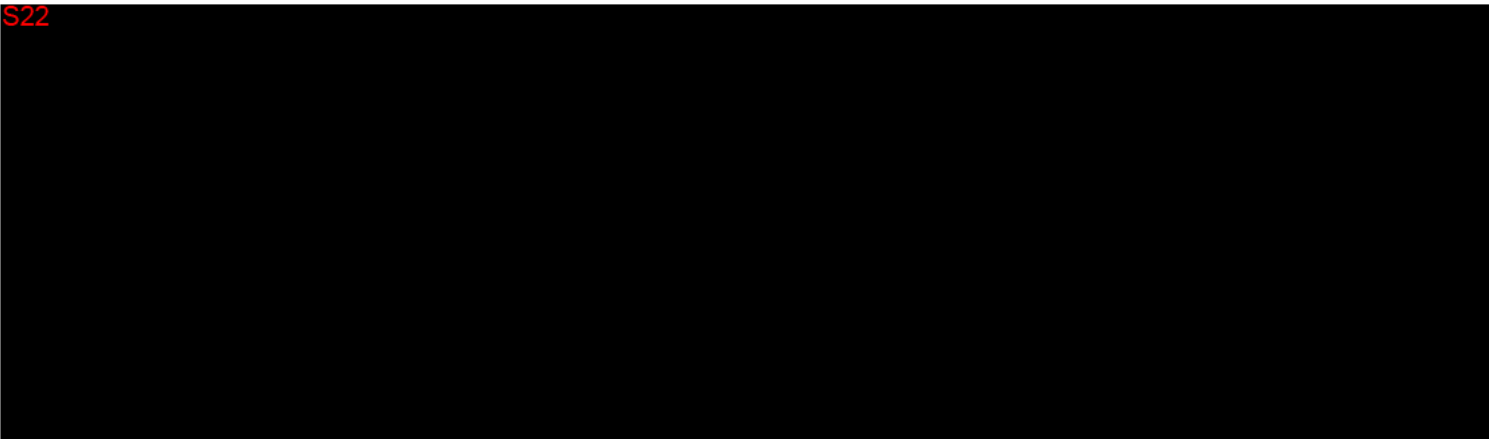
Marc,

Please find below the responses and additional information requested.

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S22



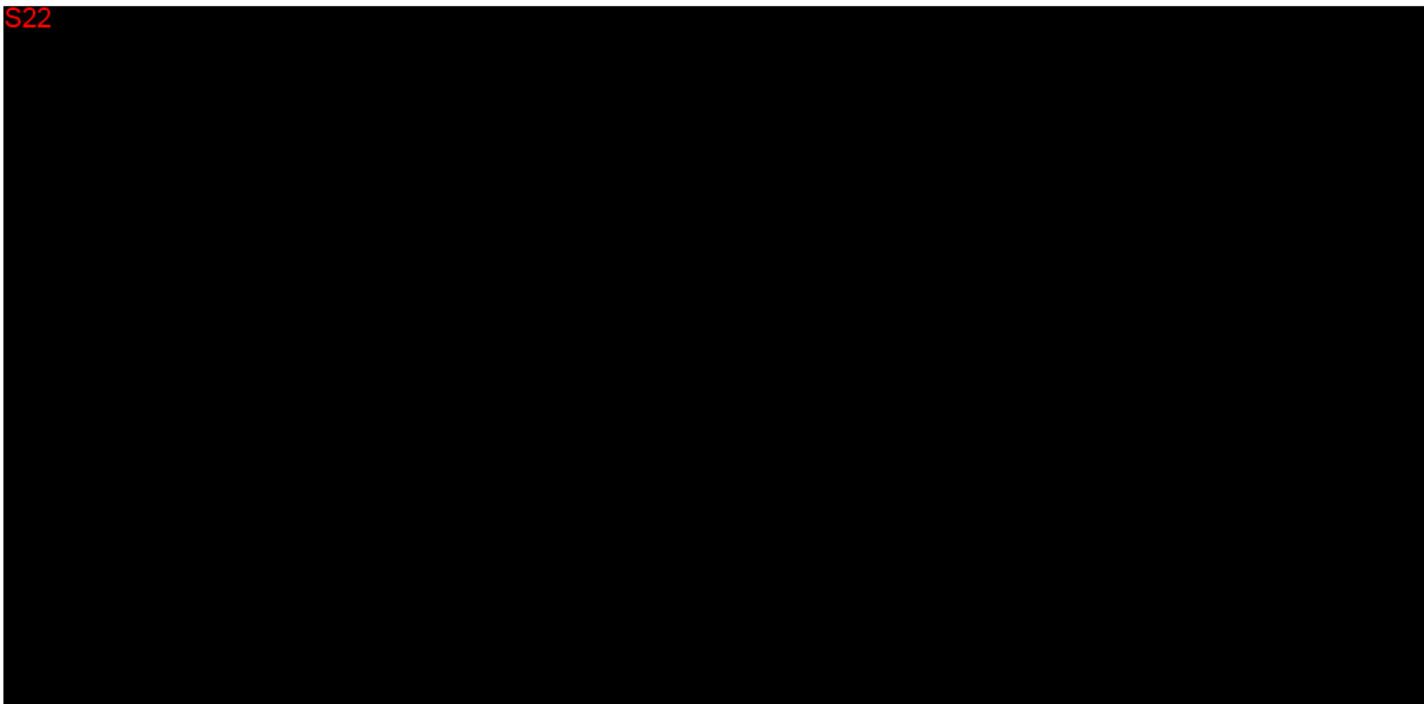
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Could ASC please provide the **total cost of salaries** for the full ASC Shipbuilding workforce from now until January 2020 presuming no redundancies? i.e. what is the cost per quarter of maintaining a workforce of approx. **s47G(1)** to Jan 2020. How does this cost compare to project total salary costs to Jan 2020 assuming projected redundancies go ahead? The table below provides guidance on setting out this information.

Quarter	Number of planned redundancies	Cost of planned redundancies \$M	Wage & Salary cost reflecting redundancy reductions (including all costs of employment) Quarterly cost \$M	Salary cost presuming no redundancies (including all costs of employment) Quarterly cost \$M
Mar-18	175	s47G(1)		
Jun-18	191			
Sep-18	s47G(1)			
Dec-18				
Mar-19				
Jun-19				
Sep-19				
Dec-19				
Mar-20				
Total				

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...

We would be more than happy to meet with you or your team when convenient to discuss and/or clarify as necessary.

Best regards

Martin

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From: Ablong, Marc MR [<mailto:marc.ablong@defence.gov.au>]

Sent: Sunday, 5 November 2017 2:00 PM

To: Edwards, Martin

Cc: Gillis, Kim MR; Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbellio, Stephen'; Cuthill, James; Sara, Tyson MR; Hosking, Steve MR

Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

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Martin

Thanks for this. In order to allow the Government to follow understand the costs and consequences of the proposal, we need some additional information and specificity of the costs. We would appreciate it if you could clarify as per the questions below:

Headline questions

S22

Quarter	Number of planned redundancies	Cost of planned redundancies	Salary cost reflecting redundancies	Salary cost presuming no redundancies
March 2018				
June 2018				
September 2018				
December 2018				
March 2019				
June 2019				
September 2019				
December 2019				

Total				
-------	--	--	--	--

Other questions

- Do the contemplated options in the ASC paper fall within scope of a suitable redeployment opportunity under current EAs/contracts? Specifically does redeployment to Collins Sustainment or OPV work avoid redundancy payments under the AWD program?
- Would retraining constitute a suitable redeployment opportunity?
- What happens if a “suitable redeployment opportunity” is identified and offered to an employee, but the employee refuses?

Happy to discuss with colleagues in Finance and yourself during the course of the week

Cheers

Marc

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From: Edwards, Martin [<mailto:Martin.Edwards@asc.com.au>]

Sent: Monday, 30 October 2017 9:52 PM

To: Ablong, Marc MR

Cc: Gillis, Kim MR; Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; Bruce Carter; Lamarre, Mark; Jagers, Andrew; Sorbello, Stephen; Cuthill, James

Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

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Marc,

Please find below information as requested:-

S22



2. **Specific numbers behind Figure 1** in terms of headcount reductions, the salaries of the workforce likely to be made redundant, and the costs of the redundancy programs.

AWD Program - ASC Shipbuilding headcount and redundancy cost

■ AWD Total Headcount (ASC) ■ Quarterly cost of redundancies \$M ■ Quarterly salary cost of employees redundant in Qui

s47G(1)

Note – the calculation of average quarterly wages and salaries are based on current employee base pay data; excluding additional employment costs - Superannuation, Long Service Leave and Payroll Tax.

I trust this assists. We are working on the costs of the training packages outlined in **Annex A** and will forward in the near future.

Cheers
Martin

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From: Ablong, Marc MR [<mailto:marc.ablong@defence.gov.au>]

Sent: Thursday, 26 October 2017 10:09 PM

To: Edwards, Martin

Cc: Gillis, Kim MR; Johnson, Stephen MR 8; Whiley, Stuart; Hoad, Wendy; Bruce Carter; Lamarre, Mark; Jaggars, Andrew; Sorbello, Stephen; Cuthill, James

Subject: Re: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

Thanks Martin

We would be grateful for any cost information on any of the options.

S22

Thanks

Marc

On 26 Oct 2017, at 8:53 pm, Edwards, Martin <Martin.Edwards@asc.com.au> wrote:

UNCLASSIFIED

Marc,

Confirming that we will provide the specific information requested behind Figure 1 by COB tomorrow.

The cost modelling for the training packages related to the Submarine Capability Improvement will be forwarded early next week.

Cheers

Martin

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From: Ablong, Marc MR [<mailto:marc.ablong@defence.gov.au>]
Sent: Thursday, 26 October 2017 9:30 AM
To: Edwards, Martin; Gillis, Kim MR; Johnson, Stephen MR 8
Cc: Whiley, Stuart; Hoad, Wendy; 'Bruce Carter'; Lamarre, Mark; 'Jaggers, Andrew'; 'Sorbello, Stephen'
Subject: RE: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

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Martin

Thanks for the information you provided.

To support the decision making on this, we would appreciate a little more detail on the following:

The specific numbers behind Figure 1 in terms of headcount reductions, the salaries of the workforce likely to be made redundant, and the costs of the redundancy programs. While the figure is useful, we need to be able to provide specific data on this aspect to run the cost models.

The costs of the training packages outlined in Annex A.

Cheers

Marc

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From: Edwards, Martin [<mailto:Martin.Edwards@asc.com.au>]
Sent: Wednesday, 18 October 2017 6:37 PM
To: Gillis, Kim MR; Ablong, Marc MR; Johnson, Stephen MR 8
Cc: Whiley, Stuart; Hoad, Wendy; Bruce Carter; Lamarre, Mark
Subject: ASC Shipbuilding - Options for Shipbuilding Capability Retention [SEC=UNCLASSIFIED]

UNCLASSIFIED

Dear Marc, Kim & Stephen,

Marc, further to your request on Monday, please find attached our draft report considering the potential options to mitigate imminent redundancies in ASC Shipbuilding. The document is draft while going through our internal review process. It is also structured around an internal PROBED template form – I trust this is acceptable.

We would welcome the opportunity to discuss this with you in more detail once you have had the chance to digest.

Best regards

Stuart Whiley

Forwarded by Martin Edwards on behalf of Stuart Whiley

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Shipbuilding Capability Retention – Paper for Discussion

Option 1 – ASC Submarines Capability Improvement



Glossary

ASC	ASC Pty Ltd
CAD	Computer Aided Design
CASG	Capability Acquisition and Sustainment Group
CCSM	Collins Class Submarines
FF	Future Frigate project
FSM	Future Submarine
FSP	Future Submarine Program
FSPO	Future Submarine Program Office
IT	Information Technology
LM	Lockheed Martin
LOTE	Collins Life of Type Extension
OPV	Offshore Patrol Vessel project
NG	Naval Group

EXECUTIVE SUMMARY

1. Background

ASC recently provided a draft paper to the Department of Defence titled *'Options for Shipbuilding Capability Retention'* in response to a request 'to provide potential options or solutions to prevent further forced redundancies' from the ASC Shipbuilding workforce. While the paper provided a number of options this paper provides further detail and costs behind *Option 1 - ASC Submarines Capability Improvement – transfer of 200 personnel to ASC Submarines ("Option 1")*.

2. Description

Option 1 involves increasing the core ASC Submarines permanent workforce from s47G(1) with the aim of growing to s47G(1) by transferring 200 ASC Shipbuilding employees to ASC Submarines in order to grow sovereign shipbuilding capability for Future Programs. Option 1 is delivered in three (3) elements:

1. 50 additional staff 'above-the-line' in the FSPO;
2. 100 Scholarships awarded across 4 (four) disciplines; and
 - a. Operations Management;
 - b. CAD Designer;
 - c. Engineering; and
 - d. Supply Chain/Procurement.
3. 50 additional staff to grow sovereign shipbuilding capability in operations.

Option 1 is underpinned by an assumption that there will be ongoing work for the 200 employees, if that is not the case there will be additional costs.

Table 1 below highlights the forecast growth rate for Option 1. Further detail, assumptions and costs are provided in the following Annexes:

- Annex A– Above the Line - Future Submarine Project Office Growth ,
- Annex B – 100 Scholarships; and
- Annex C - 50 Additional Staff into CCSM and FSM Operations.

Shipbuilding Capability Retention – Paper for Discussion**Option 1 – ASC Submarines Capability Improvement**

	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FSPO Growth - 50	0	13	35	50	50	50	50	50	50	50	50	50
Scholarships - 100	0	30	40	70	80	90	100	100	100	100	100	100
CCSM & FSM Operations - 50	13	27	45	50	50	50	50	50	50	50	50	50
Aggregate Total Growth	13	70	120	170	180	190	200	200	200	200	200	200

Table 1 – Summary of growth rate in ASC's Workforce Development Plan

3. Option 1 Status

The information in this draft paper is provided to assist Government discussions and is not a formal offer capable of acceptance. Further discussions would be required to determine the details of the option, and ASC Board approval would ultimately be required.

Stuart Whiley

Interim Chief Executive Officer

ASC Pty Ltd

Annexes:

A. Above the Line - Future Submarine Project Office Growth

B. 100 Scholarships

C. 50 Additional Staff into CCSM and FSM Operations

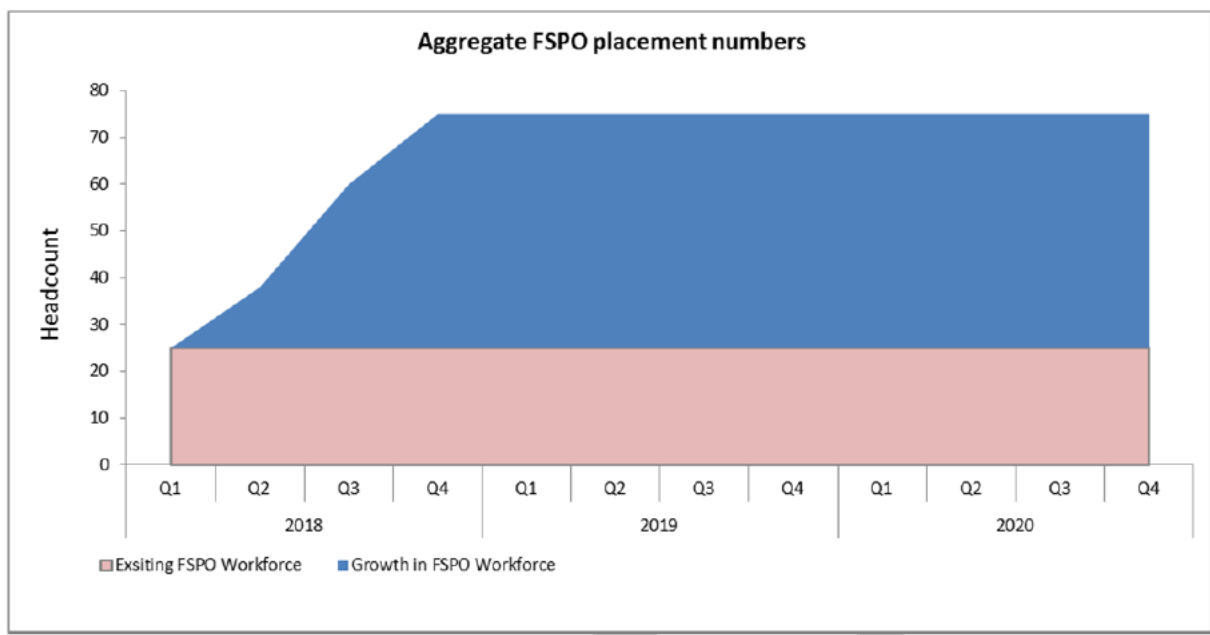


Table 2 – Summary of Forecast FSPO Seconded Uptake

A. Assumptions

The following assumptions underpin FSPO Seconded Uptake:

1. ASC staff will be seconded under the terms and conditions of the SEA 1000 Support Contract CASG/FSP/T0005/2017/ASC, Purchase Order Number 4501019073;
2. Platform Systems roles will be required by FSPO from Q2 2018 to Q3 2019;
3. Combat Systems roles and other roles will be required by FSPO from Q3 2018;
4. ASC will work closely with FSPO staff to plan required resources to ensure ASC provides the appropriate skills and capability to meet the program needs;
5. Funding for this resource increase is covered within the SEA 1000 forward plan and budget; and
6. CASG will draw all 50 “above the line” secondees from ASC.

B. Cost Summary/Impact

On the basis of the assumptions above, ASC assesses that no further financial commitment is required by Government beyond current SEA 1000 budget allocations to implement this element; this should be confirmed by CASG.

A. Scholarship Summary

Four main scholarship streams are assessed to address the near term demand for sovereign shipbuilding capability; includes Operations Management, CAD Designer, Engineering and Supply Chain/Procurement. ASC notes that there are significant synergies with surface shipbuilding programs, in support of a sovereign industry, in these training courses which are described in further detail in Table 3 below:

Stream	Description	Potential Deployment post Scholarship
Operations Management <ul style="list-style-type: none"> • 25 off • 6 month 	Develops Operations Specialists to plan and execute production and operations activities in construction and maintenance of naval vessels. Courses will be delivered over 6 months duration and will be delivered both onsite and at dedicated learning institutes, using learning resources designed or selected to replicate the shipbuilding operations environment.	s47G(1)
CAD Designer <ul style="list-style-type: none"> • 40 off • 18 months 	Develops CAD Designers for concept design, preliminary design and detailed design for LOTE, OPV, FF and FSP schedule demands. Technical courses are delivered over 18 months, onsite and in teaching institutes using resources designed or selected to replicate shipbuilding industry environments.	
Engineering <ul style="list-style-type: none"> • 20 off • 12 months 	Develops Engineers to gain experience and be more capable within the workplace in a shorter timeframe. LOTE, OPV, FF and FSM will benefit from; increased ability to support life cycle upgrades; better system development and integration; improved maintenance capability and service delivery; a strengthened indigenous naval engineering capability. Technical courses will be delivered over 12 months duration both onsite and at dedicated learning institutes, using resources designed or selected to replicate the shipbuilding engineering environment.	
Supply Chain <ul style="list-style-type: none"> • 15 off • 18 months 	This training supports a sustainable model for developing Supply Chain specialists capable of contract sourcing, category management and/or subcontract management. Procurement courses are of 18 months duration and will be delivered by blended learning including both onsite and at dedicated learning institutes, using learning resources designed or selected to replicate the shipbuilding supply chain environment.	

Table 3 –Scholarship Summary

B. Assumptions

The following assumptions underpin this Scholarship initiative:


1. Employment is available for all scholarship graduates directly post-training;
2. Industry sector priorities for post scholarship employment will be agreed with CASG;

3. Scholarships include salaries for the duration of a training program;

s47G(1)

5. Candidates for all scholarships will be sourced from both ASC Shipbuilding and ASC Submarines.

Table 4 below provides forecast mobilisation, ramp up and timeframes for each scholarship stream intake.

Key:  Undertaking scholarship training

s47G(1)

Scholarships	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CAD Design												
Intake 1		10	10	10	10	10						
Intake 2				10	10	10	10	10				
Intake 3						10	10	10	10	10		
Intake 4							10	10	10	10	10	10
Cumulative Subtotal	0	10	10	20	20	30	40	40	40	40	40	40
Supply Chain												
Intake 1												
Intake 2												
Cumulative Subtotal	0	10	10	15	15	15	15	15	15	15	15	15
Engineering												
Intake 1			10	10	10							
Intake 2					10	10	10					
Cumulative Subtotal	0	0	10	10	20	20	20	20	20	20	20	20
Operations Management												
Intake 1												
Intake 2												
Cumulative Subtotal		10	10	25	25	25	25	25	25	25	25	25
CUMULATIVE TOTAL	0	30	40	70	80	50	100	100	100	100	100	100

Table 4 – Forecast Scholarship Timeframes

Table 5 below provides volume and time phasing of scholarship activity for the 100 scholarships.

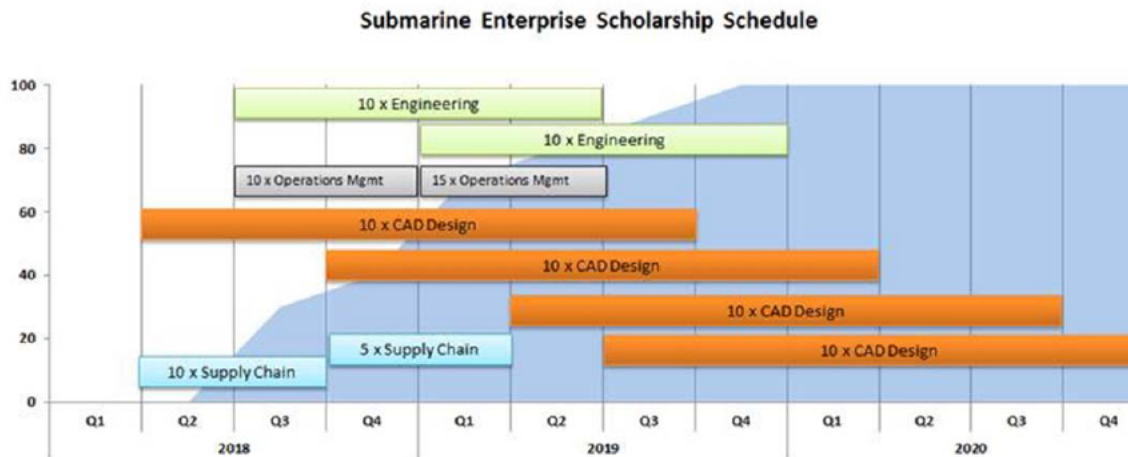


Table 5 – Forecast Time Phasing and Volume of Scholarship Activity

C. Cost Summary/Impact

The following direct costs of provision of scholarships are estimated for the Scholarship initiative:

1. Total costs of **\$29.4m** for 100 scholarships are broken down for the in Table 6 below. The suggested courses are;
 - a. CAD Design;
 - b. Supply Chain;
 - c. Engineering;
 - d. Operations Management;
2. Cost includes the following elements:
 - a. Mobilisation and preparation;
 - b. Course development and facilitation; and
 - c. Facility, IT, infrastructure, etc.
2. Initial costs for the first 6 months of 2018 to mobilise Scholarship activity is **\$2.4m** (incorporated in Table 6 data).

Scholarship Element	2018	2019	2020	Total
Course Development	\$47G(1)			
Facilities & Resources				
IT Resources				
Training Delivery - Course				
Labour Training				
On Job Training				
Value Add Work				
Training Delivery - On Job				
Total				

Table 6 – Potential CCSM Work & Training Activities

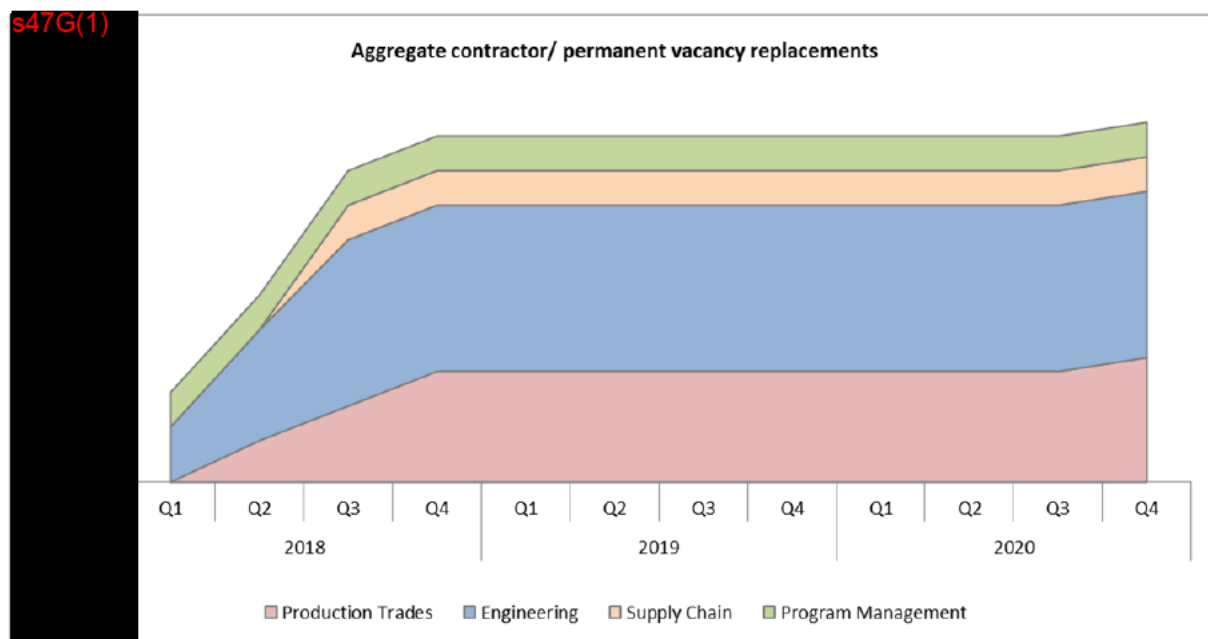


Table 7 – Potential CCSM Work & Training Activities

A. Assumptions

The following assumptions underpin this element of 50 additional staff:

1. The best place to develop a future submarine construction and sustainment workforce is within an operational submarine capability;
2. ASC will place the 50 new staff into current operations by filling vacant positions, building WA capability, s47G(1)
3. ASC requires this workforce for CCSM sustainment and will maintain the only current national submarine capability;
4. s47G(1)
5. Funding for the majority of this resource increase is already covered within the CCSM and LOTE forward plan; and
6. s47G(1)

B. Cost Summary/Impact

On the basis of the above assumptions, ASC anticipates no further financial commitment is required by the Government over and above the current SEA1000 budget to implement this element; this should be confirmed by CASG.

Davidson, Melissa MRS

From: Cuthill, James <Jim.Cuthill@asc.com.au>
Sent: Monday, 27 November 2017 7:18 PM
To: Hosking, Steve MR
Cc: Sara, Tyson MR; Fankhauser, Daniel MR 1; Lamarre, Mark; Whiley, Stuart; Edwards, Martin
Subject: ASC - Estimated Time Phasing of Selected Options [SEC=UNCLASSIFIED]
Attachments: 171127_ASC Estimated Time Phasing of Options.pdf

UNCLASSIFIED

Steve

As requested, attached is the chart from our original options paper amended to only include AWD, S22 [REDACTED]

[REDACTED]

As we discussed earlier today there are a number of assumptions that must be considered when reviewing the chart and these are highlighted on the attached document and in more detail in the Option -1 paper (Submarine Capability Improvement) that we submitted last week.

Please let us know if there is anything more we can do to assist.

Kind regards

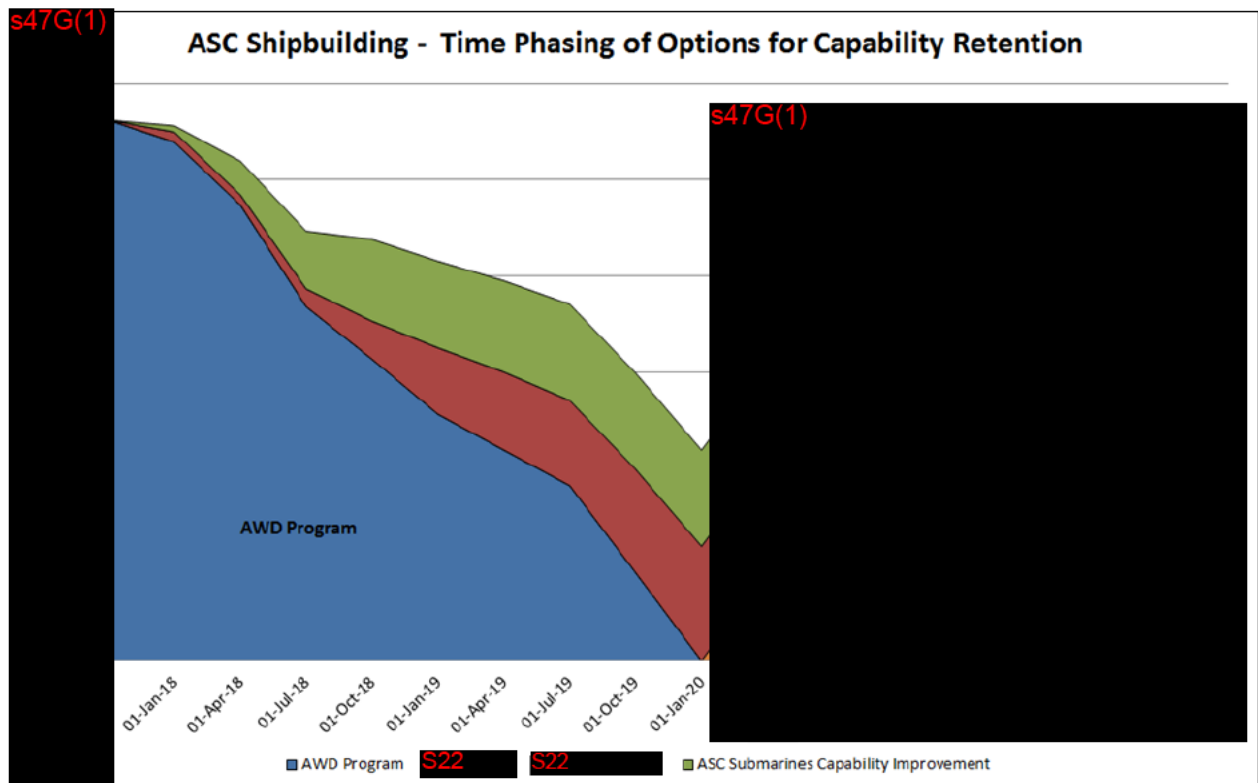
Jim

Jim Cuthill
GENERAL MANAGER - SHIPBUILDING

ASC Pty Ltd
640 Mersey Road North, Osborne
South Australia 5017
Telephone: 08 7423 4220
S22 [REDACTED]
Email: jim.cuthill@asc.com.au

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Estimated Time Phasing of Selected Options for Shipbuilding Capability Retention



Assumptions:

S22

- Submarine capability improvement resource profile is the subject of a separate paper submitted by ASC to Defence on 23 November 2107, which clearly defines a number of assumptions.

S22

Davidson, Melissa MRS

From: Dalton, Anthony RADM
Sent: Wednesday, 13 June 2018 9:05 AM
To: Chadwick, Zoe CMDR 1 (NZL)
Subject: FW: ASC Shipbuilding - Headcount Reductions [DLM=For-Official-Use-Only]
Attachments: 20180212 - ASC Shipbuilding – Headcount Reductions.pptx

For-Official-Use-Only

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From: Cuthill, James [mailto:Jim.Cuthill@asc.com.au]
Sent: Monday, 12 February 2018 7:19 PM
To: Johnson, Stephen MR 8 <stephen.johnson8@defence.gov.au>
Cc: Bourke, Craig CDRE <craig.bourke@defence.gov.au>; Croser, Peter MR 3 <peter.croser3@defence.gov.au>; Fitzpatrick, Patrick MR <patrick.fitzpatrick@defence.gov.au>; Dalton, Anthony RADM <anthony.dalton@defence.gov.au>; Chandler, John CDRE <john.chandler@defence.gov.au>; Chesworth, Peter MR <peter.chesworth@defence.gov.au>; Whiley, Stuart <Stuart.Whiley@asc.com.au>; Gillis, Kim MR <kim.gillis@defence.gov.au>; Edge, John <John.Edge@finance.gov.au>
Subject: RE: ASC Shipbuilding - Headcount Reductions [DLM=For-Official-Use-Only]

Dear Mr Johnson (Steve)

As requested I have attached an amended set of slides that now include the following:

- ASC Shipbuilding headcount reduction slides have contractor numbers removed (these are the same slides provided to you on Saturday).
- AWD operational demand (headcount) from an ASC Shipbuilding perspective for the period Mar-Jul 18

Regards

Jim

From: Johnson, Stephen MR 8 [mailto:stephen.johnson8@defence.gov.au]
Sent: Saturday, 10 February 2018 10:44 AM
To: Cuthill, James <Jim.Cuthill@asc.com.au>; Whiley, Stuart <Stuart.Whiley@asc.com.au>; Gillis, Kim MR <kim.gillis@defence.gov.au>; Edge, John <John.Edge@finance.gov.au>
Cc: Bourke, Craig CDRE <craig.bourke@defence.gov.au>; Croser, Peter MR 3 <peter.croser3@defence.gov.au>; Fitzpatrick, Patrick MR <patrick.fitzpatrick@defence.gov.au>; Dalton, Anthony RADM <anthony.dalton@defence.gov.au>; Chandler, John CDRE <john.chandler@defence.gov.au>; Chesworth, Peter MR <peter.chesworth@defence.gov.au>
Subject: FW: ASC Shipbuilding - Headcount Reductions [DLM=For-Official-Use-Only]

For-Official-Use-Only

Dear Mr Cuthill (Jim) and Mr Whiley (Stuart),

Thank you for this information and for the work required to prepare. We will be working on your input over the weekend.

Please anticipate we will also require the staff remaining within ASC Ships in a matching format and for matching timeframes. S22

[REDACTED]

Thank you again. I look forward to additional information on Monday and to the work ahead.

Sincerely, Steve

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From: Cuthill, James [<mailto:Jim.Cuthill@asc.com.au>]
Sent: Friday, 9 February 2018 8:35 PM
To: Johnson, Stephen MR 8
Cc: Whiley, Stuart
Subject: ASC Shipbuilding - Headcount Reductions

Stephen

Please see attached slides in accordance with your request for adjusted shipbuilding data from Wednesday's workforce planning meeting S22

[REDACTED]

The slides are based on the latest operational requirements from the AWD Program which is why they are slightly different from the numbers in the slides presented on Wednesday.

Hopefully the data covers your needs but if not then please contact me.

S22

[REDACTED]

Kind regards

Jim

Jim Cuthill
ACTING CEO - SHIPBUILDING

ASC Pty Ltd
640 Mersey Road North, Osborne
South Australia 5017
Telephone: 08 7423 4220

S22

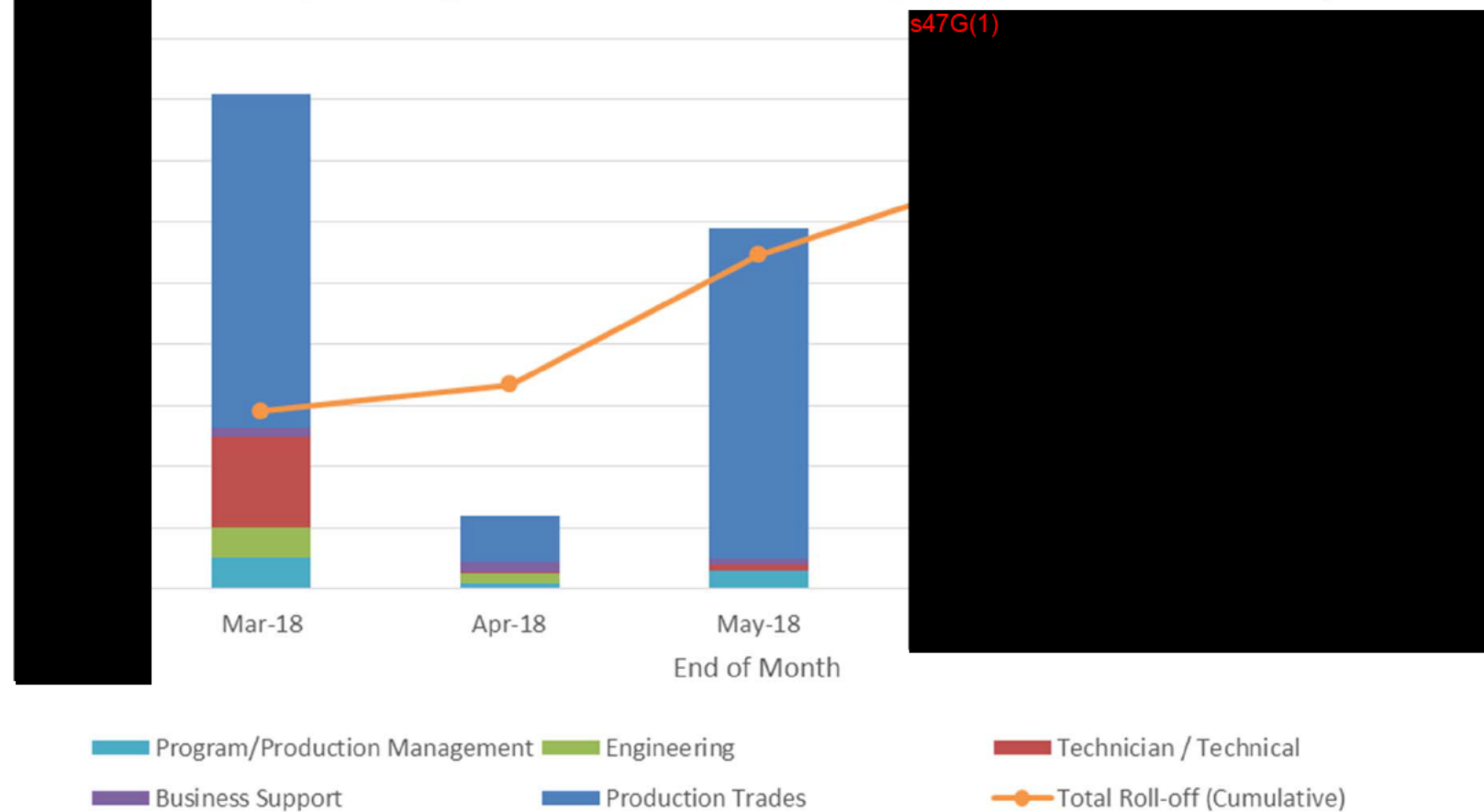
Email: jim.cuthill@asc.com.au

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ASC Shipbuilding – Headcount Reductions

ASC Shipbuilding - Headcount Reductions (Per Month & Cumulative)

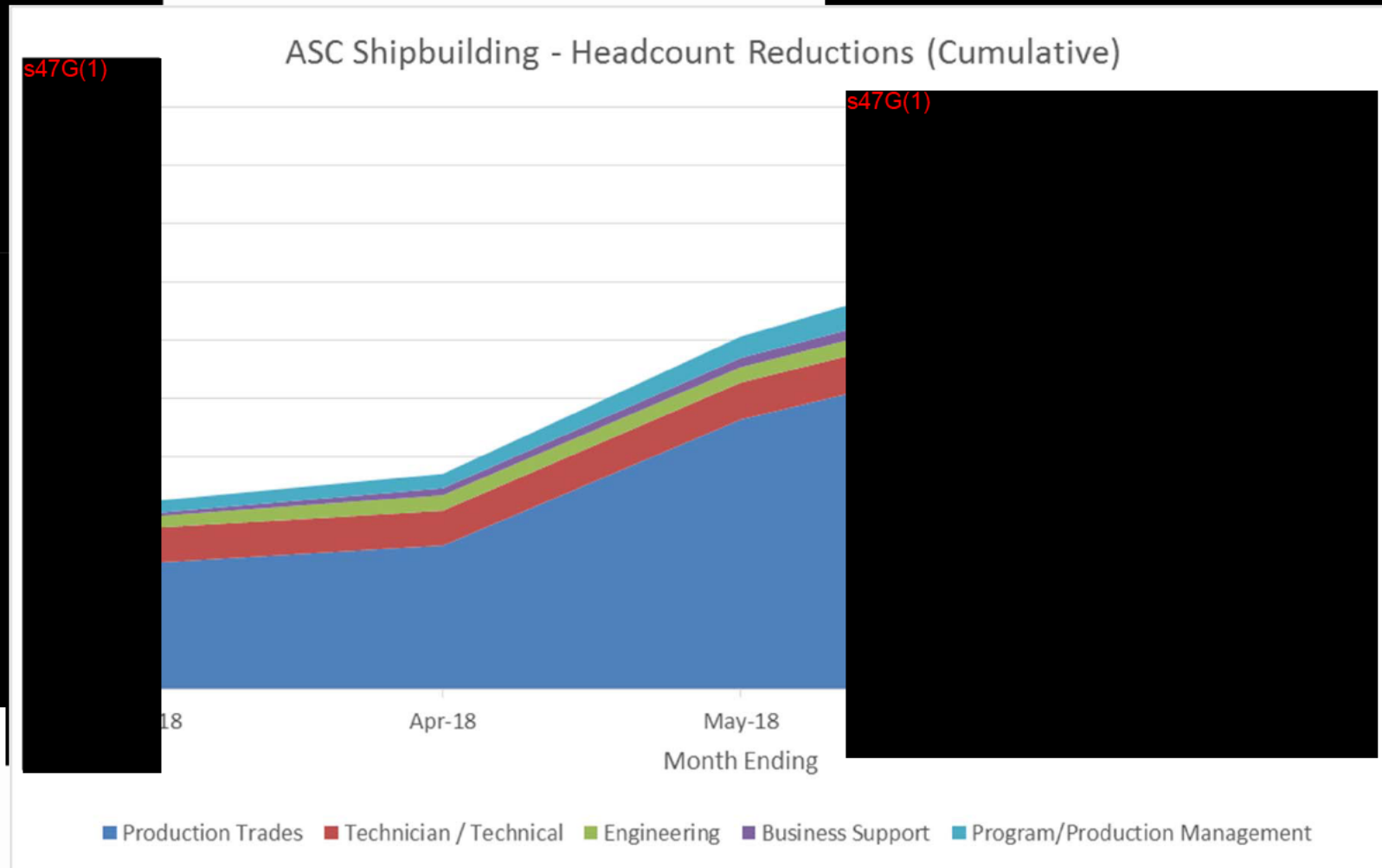


Commercial-in-Confidence

Data accurate as of 9 February 2018

1

ASC Shipbuilding – Headcount Reductions

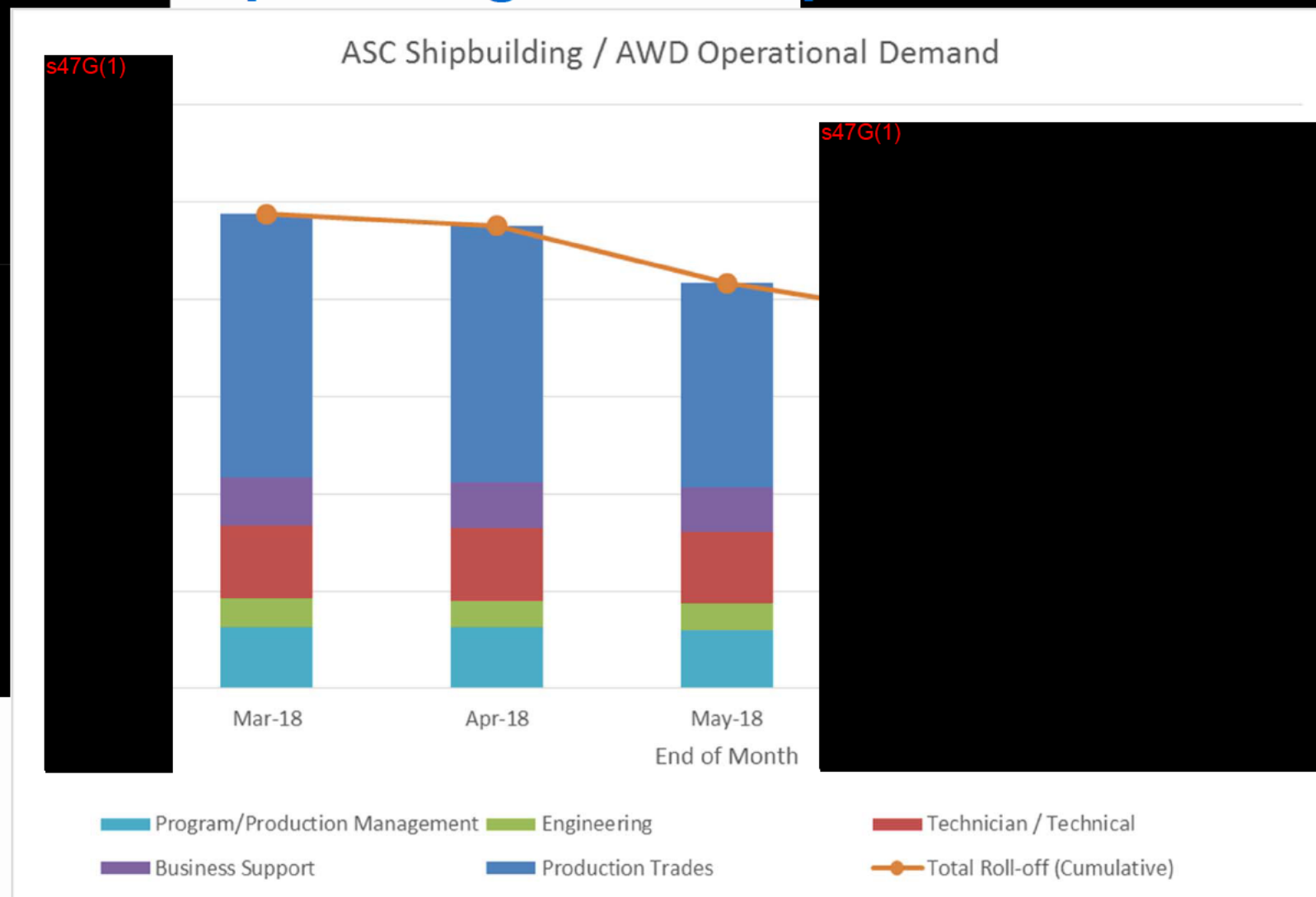


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Data accurate as of 9 February 2018

2

ASC Shipbuilding – AWD Operational Demand

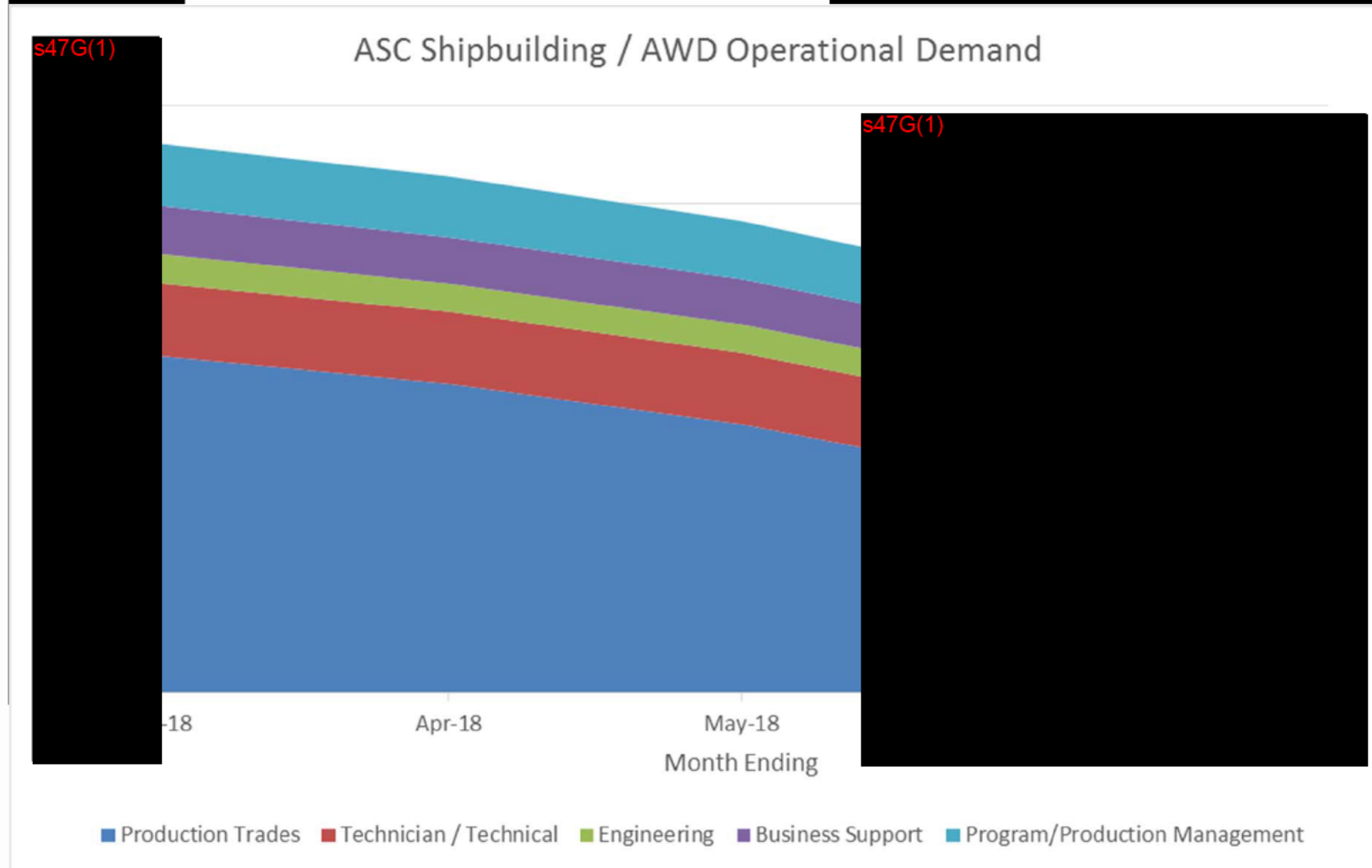


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Data accurate as of 9 February 2018

3

ASC Shipbuilding – AWD Operational Demand



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Data accurate as of 9 February 2018

4

ASC Shipbuilding – Data Tables

	Headcount Reduction (At month end)		
Category	Mar-18	Apr-18	May-18
Production Trades	109	15	108
Technician / Technical	30	0	2
Engineering	10	3	0
Business Support	3	4	2
Program/Production Management	10	2	6
Total Roll-off in Month	162	24	118
Total Roll-off (Cumulative)	162	185	303

	Headcount Reduction (
Category	Mar-18	Apr-18	May-18
Production Trades	109	124	232
Technician / Technical	30	30	3
Engineering	10	13	1
Business Support	3	6	8
Program/Production Management	10	12	18
Total Roll-off (Cumulative)	162	185	303

	AWD Operational Deman		
Category	Mar-18	Apr-18	May-18
Production Trades	541	526	418
Technician / Technical	148	148	146
Engineering	60	57	
Business Support	98	94	92
Program/Production Management	127	125	119
Total Roll-off (Cumulative)	974	950	833

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Data accurate as of 9 February 2018

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Australian Government
Department of Defence
Capability Acquisition and
Sustainment Group

GMSUBS/OUT/2017/090

Mr Stuart Whiley
Interim Chief Executive Officer
ASC Pty Ltd
GPO Box 2472, Adelaide
South Australia 5001

Dear Mr Whiley

DEFENCE PRIORITIES FOR ASC IN 2018

Following our brief to the Board of ASC on 7 September 2017, the purpose of this letter is to document the priorities for ASC from the perspective of Defence and seek proposals and plans from ASC to support these priorities.

Priorities - ASC Submarines

The overriding priority for ASC Submarines remains the sustainment of the Collins submarine fleet, contributing directly to the potent and agile submarine capability required by the Australian Government. This will include:

S22



S22



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I acknowledge the resulting plans may affect existing and future contracts and Defence is willing to negotiate these proposals to achieve our objectives.

It will be important these priorities and proposals are considered jointly by the Secretaries of the Department of Finance and the Department of Defence.

ASC should be ready with early thoughts in all areas for a 7 February 2018 meeting with us in advance of follow on meetings with the Secretaries of Defence and Finance.

Yours Sincerely,

S22


Stephen E. Johnson
General Manager Submarines

R2-5-C056, Russell Offices
PO Box 7904
CANBERRA BC ACT 2610
(02) 6265 3148
Stephen.Johnson8@defence.gov.au

12 December 2017

S22


A C Dalton
Rear Admiral, RAN
General Manager Ships Division

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CANBERRA BC ACT 2610
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anthony.dalton@defence.gov.au

12 December 2017