



Australian Government

Australian Submarine Agency

ASA

AUSTRALIAN SUBMARINE AGENCY  
**ANNUAL REPORT**

2023–2024





Australian Government

Australian Submarine Agency

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## Aids to access

### *Acknowledgement of Country*

The Australian Submarine Agency (ASA) acknowledges the Traditional Custodians of Country throughout Australia. The ASA recognises their continuing connection to traditional lands and waters and would like to pay respect to Elders both past and present, including those Aboriginal and Torres Strait Islander peoples who have contributed to the defence of Australia in times of peace and war.

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### *Electronic address of report*

The ASA website at [asa.gov.au](https://asa.gov.au) provides comprehensive information on purpose, capability and people matters of the Agency. An electronic version of this report, and supplementary content to this report that includes detailed information, is available from <https://www.asa.gov.au/about/planning-reporting> and [transparency.gov.au](https://www.asa.gov.au/about/transparency).

### *Acknowledgements*

This report was developed by the Corporate Governance Branch, with input and assistance from staff throughout Defence and the ASA.

Photography: Defence Digital Library and ASA staff  
Print: Flanergan Pty Limited, trading as Elect Printing

# About this report

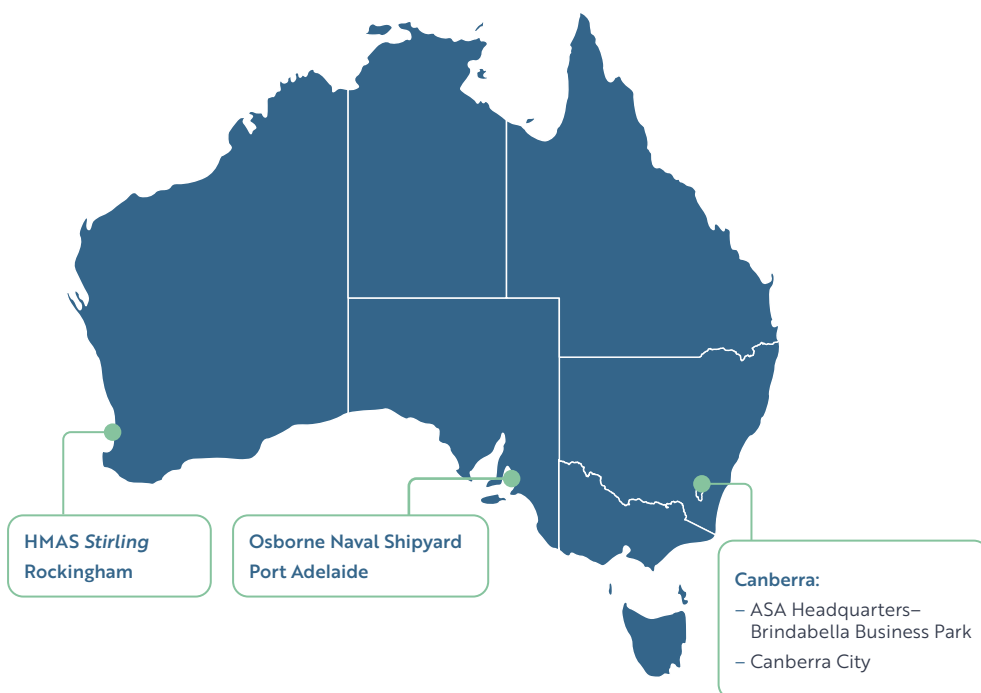
This is the Director-General of the Australian Submarine Agency's (ASA) performance report to the Deputy Prime Minister and Minister for Defence, the Parliament of Australia and the Australian public for the 2023–24 financial year. The report addresses the purpose and outcomes of the ASA.

The report was prepared in accordance with parliamentary reporting and legislative requirements. The requirements table in Appendix H shows where to find the required information in this report.

## Online content

An electronic version of this report and supplementary performance information may be accessed at [asa.gov.au/planning-reporting](https://asa.gov.au/planning-reporting). Appendix E: Supplementary online material of this report provides the supplementary online material including material available on the Defence website. The *Australian Submarine Agency Annual Report 2023–24* is also published on [transparency.gov.au](https://transparency.gov.au).

## Australian main locations



**Figure 1:** Australian Submarine Agency main staff locations





**Australian Government**  
**Australian Submarine Agency**

**The Hon Richard Marles MP**  
**Deputy Prime Minister and Minister for Defence**  
**Parliament House**  
**Canberra ACT 2600**

Dear Deputy Prime Minister

I present the Australian Submarine Agency's Annual Report 2023–24 for the year ended 30 June 2024. The report has been prepared for the purposes of section 46 of the *Public Governance, Performance and Accountability Act 2013*. Subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013* requires that an annual report be provided to the responsible Minister for presentation to the Parliament.

The report reflects the mandatory requirements as prescribed by the Public Governance, Performance and Accountability Rule 2014. It includes the Australian Submarine Agency's audited financial statements, as required by subsection 43(4) of the *Public Governance, Performance and Accountability Act 2013*, and the Australian Submarine Agency's annual performance statements, as required by section 39 of the *Public Governance, Performance and Accountability Act 2013*.

Consistent with the requirements set out in section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that the Australian Submarine Agency has conducted whole-of-agency fraud risk assessments as part of its fraud and corruption control planning cycle. I also certify that the Australian Submarine Agency has in place reasonable and appropriate measures, mechanisms, and programs to prevent, detect, investigate, record, and confidentially report suspected fraud and corruption.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jonathan Mead'.

**Vice Admiral Jonathan Mead AO RAN**  
Director-General Australian Submarine Agency  
16 October 2024

# 2023–24 Highlights



**1**  
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Australian  
Submarine Agency



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HMAS *Stirling* in Rockingham,  
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Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP, announces the build and sustainment partners for Australia's nuclear-powered submarines in Adelaide, South Australia. The Australian Government has selected ASC Pty Ltd and BAE Systems to build Australia's SSN-AUKUS submarines. ASC Pty Ltd was also selected as the sustainment partner for Australia's nuclear-powered submarines, starting with the Virginia class and then our SSN-AUKUS submarines.



# Launch of the Australian Submarine Agency

The Nuclear-Powered Submarine Taskforce (the Taskforce) signed off for the last time on 30 June 2023 as it transitioned to the Australian Submarine Agency (ASA) on 1 July 2023.

The Taskforce, formed in September 2021, was responsible for delivering the Optimal Pathway for Australia to acquire a conventionally-armed, nuclear-powered submarine (SSN) capability. Now that the Optimal Pathway is clear, the ASA will be responsible and accountable for the management and oversight of the Nuclear-Powered Submarine (NPS) Program, to bring a conventionally-armed, nuclear-powered submarine capability to Australia.

The NPS Program is a whole-of-nation undertaking, requiring the ASA to work in partnership across the Defence portfolio, Commonwealth departments and agencies to deliver this endeavour, together with our AUKUS partners.

Australia's acquisition of conventionally-armed, nuclear-powered submarines requires a continued and close collaboration with all tiers of Australian Government, and national and international industries. This collaboration underpins significant opportunities

for Australian businesses and workers across the country as well as education and training programs and international placements to develop a highly-skilled workforce.


Growing this workforce requires targeted investment in education and training programs that build the necessary skills and qualifications in Australians who will deliver the NPS Program. In 2023–24 the ASA collaborated with industry, universities, unions, and state governments to introduce traineeships, apprenticeships, and international placements to upskill Australia's naval shipbuilding and sustainment workforce. Also, nuclear graduate programs, and an additional 4,001 Commonwealth Supported Places in science, technology, engineering and mathematics (STEM) university courses were announced.

Over coming years, the ASA will continue to work proactively with industry and our training and education sector to develop a suitably skilled and experienced sovereign workforce, capable of building, operating and sustaining an SSN capability.







An aerial photograph of a coastline, showing the ocean on the left and a landmass on the right. The landmass features a complex network of roads and structures, with some areas appearing to be densely populated or developed. A large, solid green number '1' is overlaid on the right side of the image, positioned above the main title.

# 1

## Director-General's Review



Royal Australian Navy members and navigation crew of USS *Annapolis* (SSN 760) navigating the Los Angeles class submarine.



## Director-General's Review

The Australian Submarine Agency (ASA) was established on 1 July 2023 to safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's conventionally-armed, nuclear-powered submarine capability (SSN) for Australia, through the Australia, United Kingdom (UK) and United States (US) (AUKUS) partnership.

The first year of operation for the ASA has been characterised by the successful achievement of many milestones. Throughout the 2023–24 reporting period, ASA employees worked with their counterparts in the UK and the US, across the Australian Commonwealth and state governments, as well as hand in hand with defence industry and the tertiary sector to progress the delivery of Australian SSNs. The ASA's performance against the *Australian Submarine Agency Corporate Plan 2023–27* performance measures and targets is included at Chapter 3. Key achievements in our first year include:

- significantly increasing the ASA's workforce;
- supporting the Australian Government with its selection of the Sovereign Submarine Partners for both shipbuilding and sustainment;
- establishing arrangements with the US for access to nuclear technical capability including technical support and information exchange, and access to Virginia class training support systems;
- working with the Commonwealth Department of Education to allocate an additional 4,001 Commonwealth Supported Places in STEM courses to grow a skilled Australian workforce to deliver the Optimal Pathway;
- being granted a site preparation licence from the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) to prepare the site and construct facilities at HMAS *Stirling*, Western Australia;
- embedding Australian industry personnel in the UK and the US training facilities and industrial shipyards;
- delivering pilot programs and nuclear mindset awareness training to over 100 industry personnel;
- designing and establishing programs of work for Royal Australian Navy (RAN) officers and sailors, other Australian Defence Force (ADF) personnel and civilians to gain education and experience in the UK and the US shipyards (this included more than 30 RAN personnel travelling to Guam in preparation for maintenance activities as part of a Submarine Tendered Maintenance Period (STMP));
- working closely with the South Australian Government to transfer land for the Submarine Construction Yard in Adelaide, South Australia;
- entering a contract with Bisalloy Steels to undergo qualification of Australian steel for SSN-AUKUS submarines; and
- developing a Nuclear Graduate Program involving civilian nuclear organisations for graduates completing their studies in STEM (or nuclear-related) disciplines.

Preparing Australia to acquire the SSN capability is unique in our nation's history, and we do not underestimate the challenge. Acquiring SSNs will involve a whole-of-nation undertaking, creating a scale of unprecedented opportunities for Australian industry and workers across the country. A significant investment in Australia's industrial capacity, infrastructure and education and training systems is being established to support this enterprise.

## Working with our partners

The Optimal Pathway, announced in March 2023, was determined after an intensive 18-month period of consultation, examining the full suite of requirements that underpin delivery of these submarines. The Optimal Pathway is supported by strong commitments and investments from each of the AUKUS nations to meet agreed milestones for Australia to be 'sovereign ready'.

The Optimal Pathway will deliver long-term strategic benefits for Australia, the UK and the US. It supports Australia's development of the infrastructure, technical capabilities, industry and human capital necessary to produce, maintain, operate and steward a sovereign fleet of SSNs.

The ASA is leveraging the expertise of the UK and the US to achieve the outcomes outlined in the Optimal Pathway. The ASA will exemplify a Nuclear Mindset in our actions, reflecting our dedication to excellence and improvement, and our unwavering commitment to the highest levels of safety, security and stewardship of naval nuclear propulsion technology.

The ASA has concluded agreements with the UK and the US to facilitate personnel exchanges for ADF and Australian Public Service (APS) personnel. These agreements are key enablers for the development of Australia's sovereign workforce as part of the Optimal Pathway, and has helped to facilitate Australian personnel working in the UK and the US submarine enterprises.

## Investing in industrial capability

In 2023–24, the ASA developed a process to support the Australian Government's selection of an industry partner for the build of Australia's own SSN fleet (SSN-AUKUS). ASC Pty Ltd (ASC) and BAE Systems (BAE) were announced as the collaborative partners for the build of Australia's SSN-AUKUS submarines. These two companies will initially form a collaborative arrangement, which will lead to the establishment of an incorporated Joint Venture, affirming their commitment to the development of a strong, sovereign and enduring SSN capability in Australia.

The Joint Venture will be accountable and responsible for the building of the SSN-AUKUS submarines, as well as ensuring safety, security and regulatory compliance.

As the first step in this collaborative endeavour, the ASA executed a Collaboration Deed with ASC, BAE and Australian Naval Infrastructure (ANI) on 15 March 2024. This will enable work to prepare for the build of our SSN-AUKUS submarines in Osborne, South Australia, including the ongoing design and development of the Osborne Submarine Construction Yard (OSCY), and the expansion of the Australian supply chain and industrial base.

The Australian Government is making significant investments with ASC in planning and mobilisation efforts for the sustainment of future Australian, and visiting, SSNs. The ASA is targeting the placement of over 100 ASC personnel in the next 12 months to participate in sustainment activities overseas to upskill our sustainment workforce. This will prepare Australia to support the visiting UK and US submarines under the Submarine Rotational Force-West (SRF-West) initiative, and planning for the sustainment of sovereign Australian SSNs from the early 2030s.

Selecting ASC as the Sovereign Submarine Sustainment Partner will ensure our industrial base can lift and expand to meet our existing Collins class submarine sustainment requirements, and prepare for sustaining Australia's SSN fleet. Sustainment activities will also include early opportunities for Australians to conduct maintenance work on visiting and rotational US Virginia class submarines. These opportunities will build over time to include Australia's sovereign SSNs. The ASA will support ASC to forge strong partnerships with Australian business as well as the UK and the US business, to develop the tactical skills and expertise required to sustain SSNs.



## Investing in our people

Our people are capable, committed and skilled. The unique nature of the ASA and our enterprise means that we have a cross section of technical experts, skilled delivery personnel as well as capability, policy, legal and regulatory expertise – all required to deliver an endeavour as large and complex as the NPS Program. We support a culture that emphasises respect and collaboration and prioritises safety and security with a focus on the Nuclear Mindset. Our greatest asset is our people.

The current workforce comprises members of both the APS and ADF, as well as contracted support, with continued growth forecast over the coming years.

I wish to conclude by sincerely thanking all staff of the ASA. The work you are doing is in many cases without precedent in Australia, or in the UK or the US. None of this is possible without the individual and team efforts that I see every day across the ASA, and for this, I commend you all.

**Vice Admiral Jonathan Mead AO RAN**

Director-General

Australian Submarine Agency



ASA personnel at HMS *Sultan* attending advanced nuclear training in the United Kingdom.

## Building the Australian Submarine Workforce

ASA personnel attended an advanced nuclear course at HMS *Sultan*, in the UK.

HMS *Sultan* offers training in nuclear engineering, radiation protection, and nuclear safety through the provision of academic knowledge and practical training in reactor physics, thermodynamics, and other related areas.

The course is designed to teach the fundamentals of Reactor Kinetics and Dynamics and imparts a range of knowledge and understanding on certain reactor physical phenomena that cannot be acquired from reading a textbook.

Gaining the ‘feel’ of the response of the reactor over time allows students to understand and predict reactor behaviour and performance during different modes of operation. Conducting highly technical frequency response analyses after the practical experiments allows students to consolidate their experience with the appropriate academic rigour.

Continued engagement with the UK Defence Academy Nuclear Department and participation on their suite of courses by ASA and Defence personnel will prove essential as Australia develops its sovereign nuclear training capability.





An aerial photograph of a coastline, likely Australia, showing a dark blue sea on the left and a lighter blue, more detailed coastline on the right. A large, semi-transparent green number '2' is overlaid on the right side of the image.

# 2

## Australian Submarine Agency Overview



Royal Australian Navy submariners onboard HMAS Collins at HMAS Stirling, Western Australia.



## Our Purpose

The ASA was established on 1 July 2023 to manage and oversee the safe and secure delivery of Australia's NPS Program, as directed by the Australian Government and as outlined in the *Australian Submarine Agency Corporate Plan 2023–27*.

The ASA is a non-corporate Commonwealth entity for the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the ASA functions are listed in Schedule 1 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

The ASA operates in accordance with section 6A of the PGPA Rule, which states that the purpose of the ASA is:

- managing and overseeing the acquisition, construction, delivery, sustainment and disposal of nuclear-powered submarines;
- managing and executing trilateral engagement for the NPS Program, with the exception of submarine operations;
- giving strategic, policy and legal advice about the NPS Program to the responsible Minister for the entity;
- managing NPS Program strategy, risk, resourcing, scheduling, legal issues and budgeting;
- ensuring that the NPS Program is aligned with the international relations, defence, national security and other national strategies and policies of the Commonwealth;
- working with the Department of Defence (Defence), the Department of Foreign Affairs and Trade (DFAT), and the Australian Safeguards and Non-Proliferation Office (ASNO) to develop and implement safeguards arrangements as agreed between Australia and the International Atomic Energy Agency (IAEA);
- establishing other international agreements and arrangements, working with Commonwealth, state and territory agencies, to support the implementation of the NPS Program;
- setting program and technical requirements and standards across all phases of the capability lifecycle;
- developing and implementing domestic nuclear policy and legislation to support naval nuclear propulsion, in consultation with Commonwealth, state and territory agencies that have functions or responsibilities relating to nuclear activities;
- establishing the necessary governance arrangements, processes and agreements to acquire, construct, deliver, sustain and dispose of nuclear-powered submarines;
- maintaining technical governance and developing systems of compliance, including by retaining technical authority of the nuclear propulsion plant during operations and supporting the Chief of Navy's responsibility to the Chief of Defence Force as the Seaworthiness Authority and Submarine Operating Authority; and

- gaining and maintaining licences and authorisations from nuclear and non-nuclear regulatory bodies to conduct activities.

The trilateral AUKUS Submarine Executive Group endorsed the Strategic Vision for AUKUS Pillar 1 in November 2023. The statement *'Steadfast commitment to achieving peace, stability, and operational advantage through trilaterally developed conventionally-armed, nuclear-powered submarine capabilities; this is our endeavor'*, led to the creation of the ASA vision: *'To enable the delivery of a safe, secure, effective and enduring nuclear-powered submarine capability.'*

## The Optimal Pathway

In March 2023, AUKUS partners agreed to an Optimal Pathway to deliver an enduring SSN capability for Australia.

The Optimal Pathway is a phased approach that will:

- ensure Australia's capacity to safely operate, maintain and regulate naval nuclear propulsion technology, and set the highest standards for nuclear non-proliferation;
- deliver an SSN capability for Australia in less than a decade, ensuring there is no capability gap;
- bolster Australia's ability to respond to the changing strategic environment and credibly adds to our deterrence posture; and
- transform and integrate our trilateral industrial bases to support SSN production, cooperation and maintenance in the decades ahead.



The acquisition of a conventionally-armed, nuclear-powered submarine capability in the shortest possible timeframe should be prioritised as part of AUKUS Pillar 1.<sup>1</sup>



<sup>1</sup> Department of Defence, *National Defence: Defence Strategic Review, 2023*, p.58.

## The Optimal Pathway phases

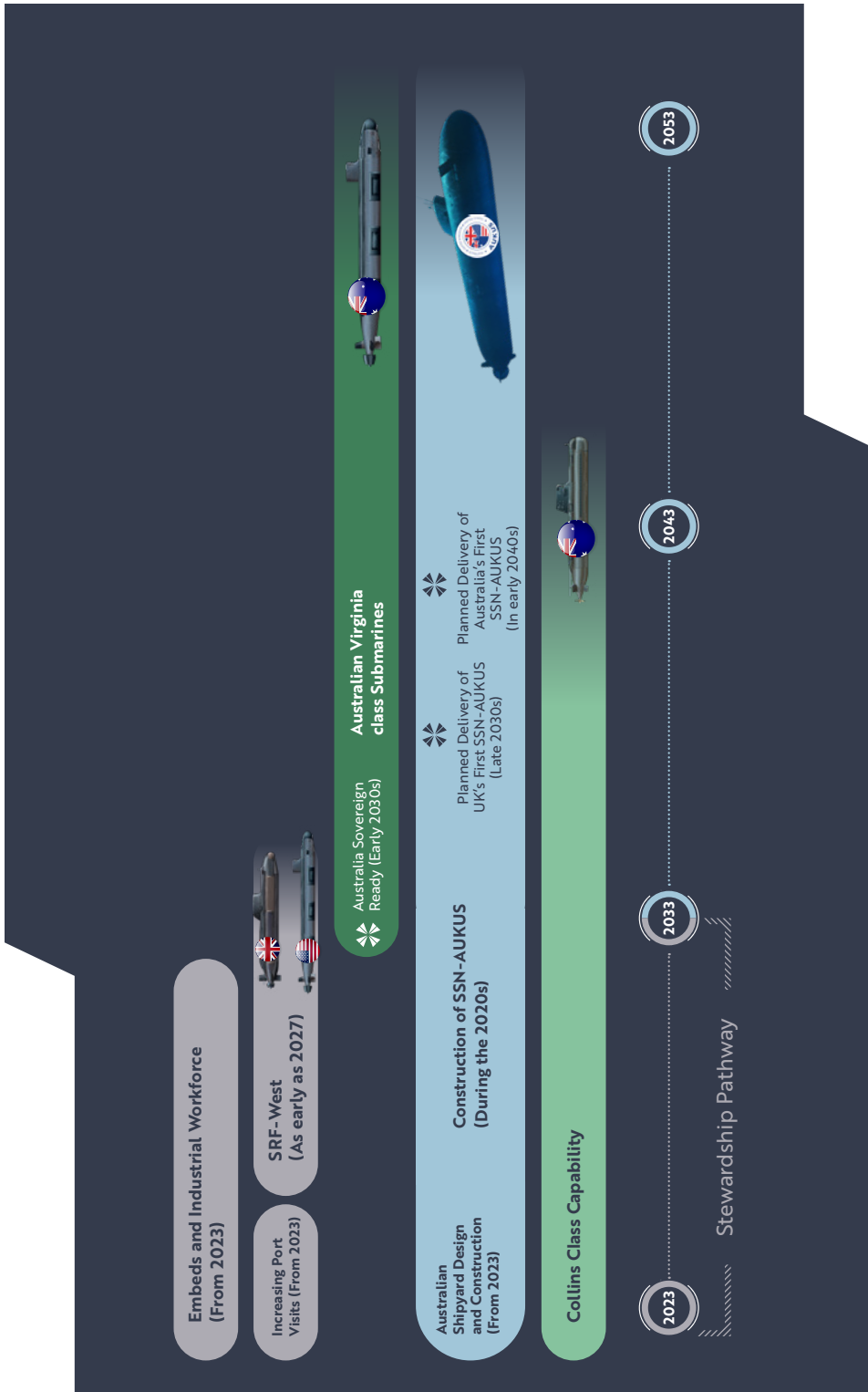
<h1>1</h1> <p><b>Phase 1</b> – The implementation of increased nuclear-powered submarine visits from the US (2023) and the UK (2026) to Australia, providing an invaluable opportunity for Australia to strengthen its experience as host of a rotational SSN presence, known as SRF-West.</p> <p>SRF-West will accelerate efforts to develop Australia’s capabilities to safely and securely operate and sustain its conventionally-armed, nuclear-powered submarines.</p>	<h1>2</h1> <p><b>Phase 2</b> – Australia will purchase three Virginia class SSNs from the US in the early 2030s. The United States Congress (US Congress) authorised this in December 2023. Australia retains the option to seek approval for up to two more SSNs, if required.</p> <p>Australia’s Virginia class SSNs will be sovereign Australian submarines, under the command of the RAN, at the direction of the Australian Government.</p>	<h1>3</h1> <p><b>Phase 3</b> – A trilateral delivery program building SSN-AUKUS based on the UK’s next-generation design incorporating technology from all three nations, including cutting-edge US submarine technologies, to be operated by Australia and the UK.</p> <p>The SSN-AUKUS will be delivered as a joint build program with construction of the UK submarines in Barrow-in-Furness, UK, and construction of the Australian submarines in Adelaide, South Australia.</p>
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Implementing the highest standards of nuclear safety, security and safeguards is critical to the success of the entire NPS Program. Australia is working closely with the UK and the US, benefitting from decades of their experience with safe naval nuclear propulsion, and building on our own record of safely and effectively operating a nuclear research reactor since 1958. A strong technical base and regulatory system will underpin the safety and security of nuclear-powered submarines in Australia.

The Optimal Pathway elevates the industrial capacity of all three nations to produce and sustain advanced and interoperable nuclear-powered submarines for decades to come. All three nations are heavily invested in the Optimal Pathway, making significant investments to uplift their respective industrial capability. This collective investment demonstrates the shared intent and commitment of AUKUS partners to remain dominant in the undersea domain. One of the strengths of AUKUS is that it boosts and improves the resilience of the trilateral supply chains, while also enhancing the industrial supply base within all three nations.

The Optimal Pathway also provides significant opportunities for Australia’s innovative and highly regarded industry and workforce.





**Figure 2:** The Optimal Pathway

## Outcomes and Programs

The *National Defence: Defence Strategic Review, 2023* recommendations, agreed by the Australian Government, included the following priorities:

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- ✓ The acquisition of a conventionally-armed, nuclear-powered submarine capability in the shortest possible timeframe should be prioritised as part of AUKUS Pillar 1.
  - ✓ The Government should confirm its commitment to continuous naval shipbuilding through an updated National Naval Shipbuilding Enterprise Strategy and updated supporting Naval Shipbuilding and Sustainment Plan.
  - ✓ Infrastructure development should commence immediately at the Osborne shipyard to enable the Nuclear-Powered Submarine Pathway.
  - ✓ Infrastructure development should commence immediately at HMAS *Stirling* to enable the support and maintenance of conventionally-armed, nuclear-powered submarine operations.
- 

With the launch of the ASA on 1 July 2023, significant steps were made towards delivering Australia's conventionally-armed, nuclear-powered submarines.

### Our outcome

The ASA will safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's SSN capability, through the AUKUS partnership.

### Our key activities

The ASA has two key activities that will ensure delivery of the NPS Program.

1. Deliver nuclear-powered submarines in accordance with the Optimal Pathway and within government approved costs in collaboration with AUKUS partners.
2. Exemplify best practice nuclear stewardship to build and maintain naval nuclear propulsion technology, in compliance with Australian and international obligations.

A worker at ASC Pty Ltd sustains a Collins class submarine.



## ASA's Commitment to Nuclear Non-Proliferation

As part of Australia's acquisition of SSNs, we are committed to setting the highest nuclear non-proliferation standard. Australia will continue to meet its nuclear non-proliferation obligations and commitments, including under the *Treaty on the Non-Proliferation of Nuclear Weapons*, the *South Pacific Nuclear Free Zone (Treaty of Rarotonga)*, and our safeguards agreements with the IAEA.

AUKUS partners continue to work openly and transparently with the IAEA to develop a robust safeguards and verification approach that enables the IAEA to meet its technical objectives of verifying no diversion of nuclear material, no misuse of nuclear facilities and no undeclared nuclear material or activity by Australia.

All three nations appreciate the enormity of this endeavour and are committed to the principles that have upheld the UK and the US naval nuclear propulsion programs' unmatched safety records. For over 60 years, the UK and the US have operated more than 500 naval nuclear reactors that have collectively travelled more than 150 million miles – the equivalent of over 300 trips to the moon and back – without incident or adverse effect on human health or the quality of the environment. Australia is committed to upholding these standards.

## Nuclear Mindset

The Australian Nuclear Mindset (Nuclear Mindset) is a set of shared qualities and attitudes that shape the way the ASA thinks, acts and learns. At the heart of the Nuclear Mindset is recognising the special characteristics and unique hazards of naval nuclear propulsion technology. The Nuclear Mindset consists of 10 nuclear propulsion principles and a commitment to individual and collective behaviour that underpins how we manage and oversee the safe and secure delivery of Australia's NPS Program.

The Nuclear Mindset reflects our dedication to excellence and our unwavering commitment to upholding the safety, security and safeguards of naval nuclear propulsion technology. Generating a Nuclear Mindset, both within the ASA and within the Australian community, is integral to retaining and enhancing the public trust in the ASA, and our purpose to manage and oversee the safe and secure delivery of Australia's NPS Program.

This Nuclear Mindset directly relates to managing both nuclear and non-nuclear risks across the ASA. While all of the principles apply, there is a strong link between risk culture and the principle that 'decisions are considered, well-informed and underpinned by strong technical evidence'.

When considering how to operationalise the Nuclear Mindset from a nuclear risk lens perspective, ASA must identify any level of feasible hazard, and take action to reduce the likelihood of the risk event occurring to implausible,



or at least as close to implausible, as can be achieved. Therefore, the level of acceptability to risks related to nuclear and radiological safety is set significantly below the level that might cause actual harm.

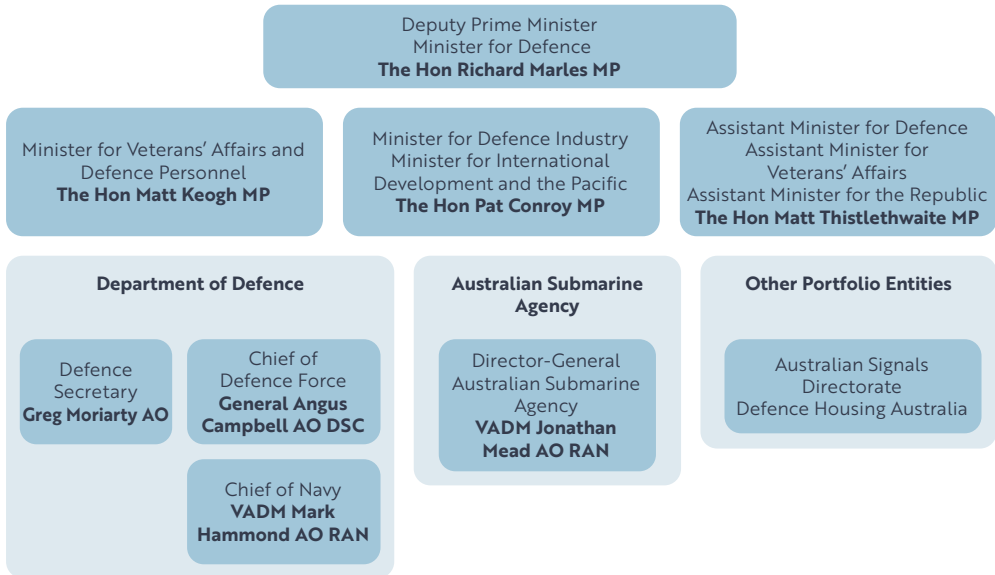
Notwithstanding the objectives of preventing harm to the public and personnel, this approach of treating nuclear safety and radiological risks is critical in fostering the confidence of the workforce and social licence with the Australian public.



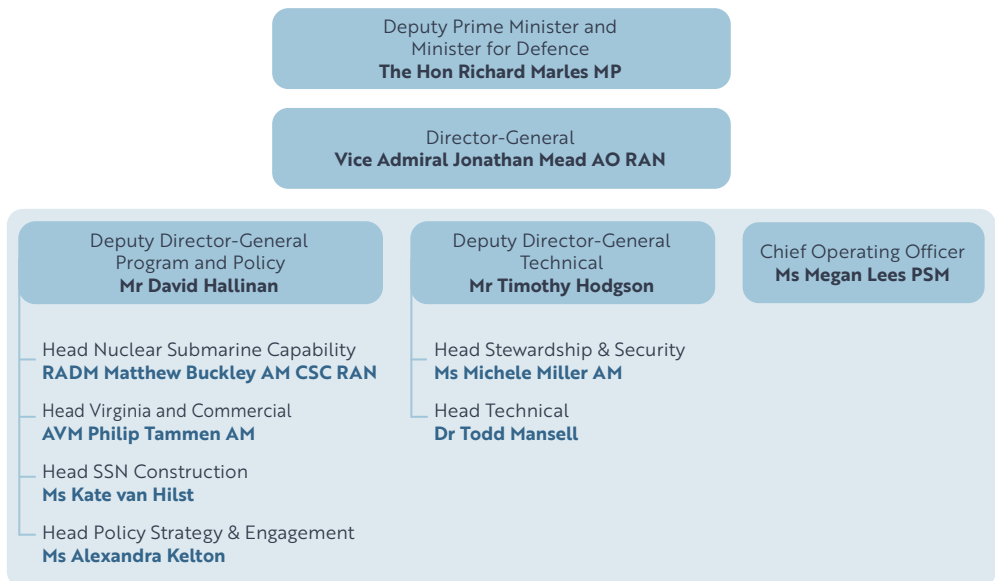
Figure 3: Nuclear Mindset Principles

# Organisational Structure

The ASA, created under the PGPA Act, resides administratively within the Defence portfolio. The ASA is a non-corporate Commonwealth entity that reports directly to the Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP.



**Figure 4:** Defence Portfolio Structure as at 30 June 2024



**Figure 5:** ASA Organisation Structure as at 30 June 2024

## Senior leadership

### **Senior Leadership appointments at stand up of the ASA (1 July 2023)**

- Vice Admiral Jonathan Mead AO RAN, Director-General ASA
- Ms Megan Lees PSM, Chief Operating Officer
- Rear Admiral Matthew Buckley AM CSC RAN, Head Nuclear Submarine Capability
- Ms Alexandra Kelton, Head Policy, Strategy and Engagement
- Dr Todd Mansell, Head Technical
- Ms Michele Miller AM, Head Stewardship and Security

### **Changes in Senior Leadership**

- 10 July 2023 – Air Vice-Marshal Philip Tammen AM was appointed Head Virginia and Commercial
- 17 August 2023 – Ms Kate van Hilst was appointed Head SSN Construction
- 6 November 2023 – Mr David Hallinan was appointed Deputy Director-General Program and Policy
- 22 January 2024 – Mr Timothy Hodgson was appointed Deputy Director-General Technical





Royal Australian Navy and United States Navy technicians and electricians providing demonstrations to media during a tour on board USS Emory S. Land in Cairns, Queensland, Australia.

## Naval Workforce – Supporting SSN Maintenance Activities

In January 2024, 37 RAN officers and sailors embarked a US Submarine Tender ship, USS Emory S. Land, in Guam as part of a knowledge exchange of SSN maintenance activities.

USS Emory S. Land is a fully capable and mission-ready mobile submarine workshop that provided expeditionary intermediate-level maintenance, services, and logistics support to deployed submarines.

Over the subsequent five months, RAN personnel integrated with US sailors building the unique knowledge, skills and experience in how the US conducts nuclear-powered submarine maintenance and rehearsing the interoperability needed to support submariners.







An aerial photograph of a coastline at night, showing city lights and a large green number 3. The image is split into two main sections: a dark blue, almost black, upper section and a lighter blue, textured lower section. The number 3 is a large, bold, green digit. The text 'Performance Reporting' is in a white, sans-serif font.

# 3

## Performance Reporting



Los Angeles class submarine USS *Annapolis* (SSN 760) arriving alongside Diamantina Pier at Fleet Base West, HMAS *Stirling*, Western Australia.



## Statement of Preparation

As the accountable authority of the Australian Submarine Agency (ASA), I present the ASA 2023–24 Annual Performance Statements as required under paragraph 39(1)(a) and (b) of the *Public Governance, Performance and Accountability Act 2013*. In my opinion, these 2023–24 Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the ASA, and comply with subsection 39(2) of the *Public Governance, Performance and Accountability Act 2013*.

  
**Vice Admiral Jonathan Mead AO RAN**

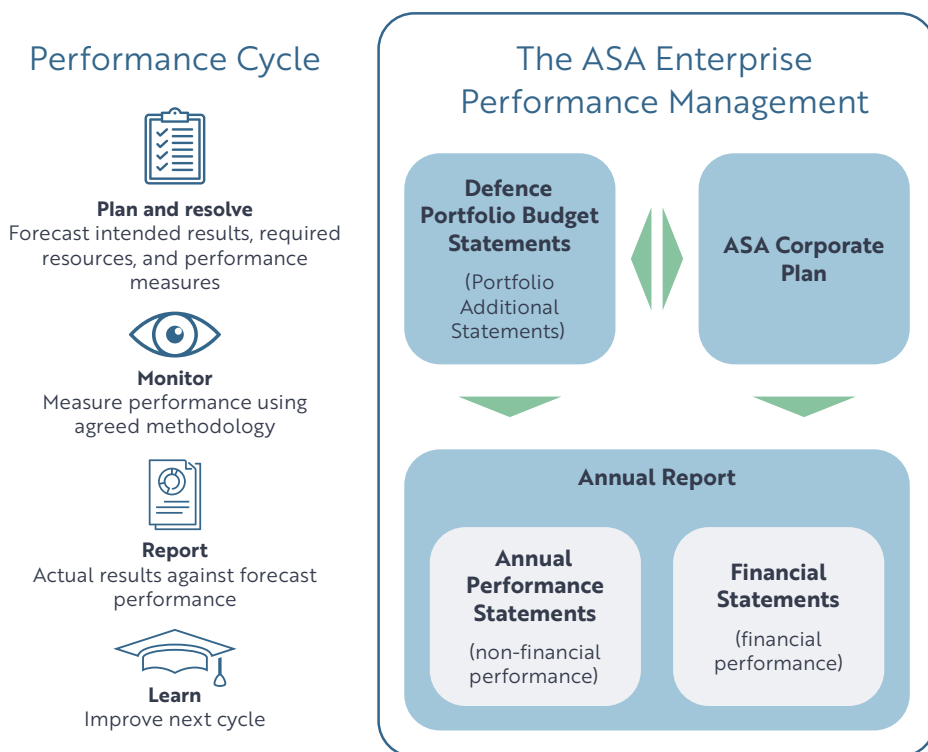
Director-General Australian Submarine Agency  
19 September 2024



## Introduction

The 2023–24 Annual Performance Statements provide an assessment of the ASA’s performance against the 2023–24 performance measures and targets set out in the *Australian Submarine Agency Corporate Plan 2023–27* and in the ASA section of the 2023–24 Defence Portfolio Additional Estimates Statements.

The relationship of the Annual Performance Statements with the other elements of the ASA’s Performance Reporting Cycle is demonstrated in Figure 6.



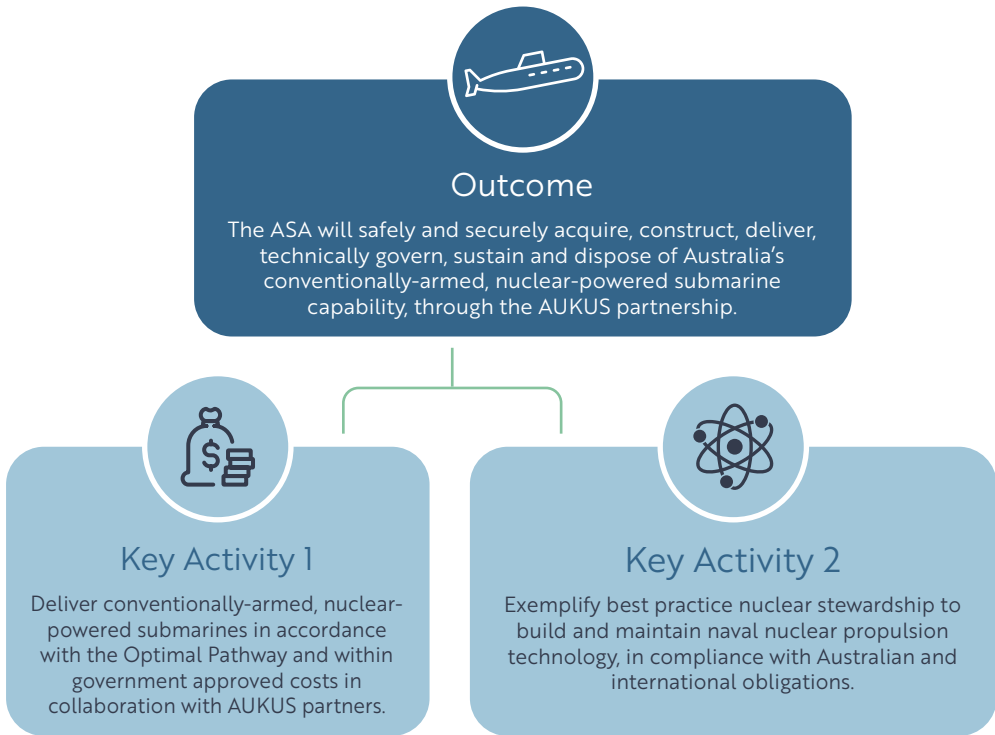
**Figure 6:** The ASA Performance Reporting Cycle

## 2023–24 Performance Outcome and Key Activities

The ASA is a non-corporate Commonwealth entity situated within the Defence portfolio, with the Director-General ASA, as the ASA’s Accountable Authority, reporting on the performance of the agency directly to the Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP.

On 1 July 2023, the ASA commenced operations to safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia’s SSN capability, through the AUKUS partnership. In 2023–24, ASA had two key activities to support this outcome, including delivering within approved costs, and ensuring best practice in nuclear stewardship.





**Figure 7:** The ASA Outcomes and Key Activities

## Assessing Performance

The ASA has seven performance measures with 13 targets in the *Australian Submarine Agency Corporate Plan 2023–27* to assess the ASA's performance against its outcome and key activities. The NPS Program is a multi-decade endeavour, and performance measure progress is evaluated annually through the associated performance measure targets.

Consistent with best practice in performance reporting, the ASA developed Performance Measure Libraries (the Libraries) to document the key information for each measure and target.

The Libraries have assisted the ASA to build a robust, unbiased approach to data collection, assessment and reporting for the 2023–24 Annual Performance Statements.

In particular, the Libraries define the methodology and assessment criteria used to assess achievement against each performance measure and target according to a three-tier rating system:

- Achieved;
- Partially Achieved; and
- Not Achieved.

Due to the varied nature of the performance measures, the respective assessment criteria are defined individually. The performance against each target contributes to reporting the achievement of each performance measure. Where a performance measure has more than one target, each target is considered to be of equal weight in the overall assessment for that performance measure. Performance assessments have been made according to the agreed methodologies and definitions outlined in the Libraries, and in accordance with the table below. The results of these assessments are described in the analysis sections of the performance results.

**Table 1:** The ASA performance measure assessment criteria

Result	Criteria
Achieved	Equal to or greater than 75% of targets for a measure have been achieved as defined in the Performance Measure Library.
Partially Achieved	Between 50% and 74% of targets for a measure have been achieved as defined in the Performance Measure Library.
Not Achieved	Less than 50% of targets for a measure have been achieved as defined in the Performance Measure Library.

Future reporting by the ASA will include a fourth rating of ‘substantially achieved’. This will enable the ASA to more accurately reflect progress against the delivery of the ASA’s performance measures.

## Performance Summary

At the end of the reporting period, the ASA has assessed performance measures 2, 4, and 5 as ‘Achieved’ and performance measures 1, 3, 6 and 7 as ‘Partially Achieved’ (Table 2).

**Table 2:** The ASA’s performance measure outcomes summary for 2023–24 reporting period

Performance Measures and Targets		Result
<b>1.</b>	<b>Establish infrastructure and capabilities to support increased visits of SSNs to Australia and a rotational presence of SSNs in Western Australia</b>	<b>Partially Achieved</b>
Target 1.1	Manage and oversee the completion of upgrades to the submarine training systems centre and personnel accommodation at SRF-West (HMAS <i>Stirling</i> ).	Partially Achieved
Target 1.2	Commence planning and training placements to develop a qualified and experienced industrial workforce to undertake maintenance on visiting US SSNs.	Achieved

Performance Measures and Targets		Result
<b>2.</b>	<b>Deliver three Virginia class submarines, pending approval from the US Congress</b>	<b>Achieved</b>
Target 2.1	Develop the selection process for the Sovereign Submarine Partner – Sustainment.	Achieved
Target 2.2	Establish new arrangements with the US to enable access to nuclear technical capabilities.	Achieved
Target 2.3	Establish procurement arrangements for Virginia-specific training support systems.	Achieved
<b>3.</b>	<b>Deliver Australian-built SSN-AUKUS, including infrastructure development at Osborne shipyard</b>	<b>Partially Achieved</b>
Target 3.1	Manage and oversee the start of preparatory infrastructure works at the Nuclear-Powered Submarine Construction Yard in Adelaide, South Australia.	Achieved
Target 3.2	Deliver Skills and Training Academy interim operating capability.	Partially Achieved
Target 3.3	Develop the selection process for the Sovereign Submarine Partner – Shipbuilder.	Achieved
<b>4.</b>	<b>Establish or refine any international arrangements or agreements required to implement the NPS Program and sustain trilateral engagement</b>	<b>Achieved</b>
Target 4.1	Establish personnel exchange agreements with the UK and the US for APS and ADF personnel.	Achieved
<b>5.</b>	<b>Develop and implement safeguards arrangements as agreed between Australia and the International Atomic Energy Agency</b>	<b>Achieved</b>
Target 5.1	In consultation with ASNO and DFAT and Attorney-General's Department (AGD), engage with the IAEA on the development of Australia's non-proliferation and safeguards approach.	Achieved
<b>6.</b>	<b>Set program and technical requirements and standards for nuclear-powered submarine capability across all capability lifecycle phases</b>	<b>Partially Achieved</b>
Target 6.1	Embed ASA staff in the UK and the US nuclear submarine enterprises, which could include SSN-AUKUS build programs and technical authority organisations, and enrolment in education and training courses.	Achieved
Target 6.2	Define the Australian Technical Authority Plan that describes how Australia will exercise technical control over nuclear-powered submarine design, build, sustainment and operations.	Partially Achieved
<b>7.</b>	<b>Establish stewardship capabilities to support the introduction of naval nuclear technology to Australia</b>	<b>Partially Achieved</b>
Target 7.1	Establish a licensing approach to meet legislative and regulatory requirements for Phase 1.	Partially Achieved



# Key Activity 1 Capability Delivery

Deliver SSN in accordance with the Optimal Pathway and within Government approved costs in collaboration with AUKUS partners.

**Table 3:** Performance Measure 1

<b>Performance Measure 1 – Partially Achieved</b>	
Phase 1 – Establish infrastructure and capabilities to support increased visits of SSNs to Australia and a rotational presence of SSNs in Western Australia	
<b>Target</b>	<b>2023–24 Result</b>
1.1 Manage and oversee the completion of upgrades to the submarine training systems centre and personnel accommodation at SRF-West (HMAS <i>Stirling</i> ).	Partially Achieved
1.2 Commence planning and training placements to develop a qualified and experienced industrial workforce to undertake maintenance on visiting US SSNs.	Achieved
<b>Reference</b>	
<i>Australian Submarine Agency Corporate Plan 2023–27</i>	Page 16
2023–24 Defence Portfolio Additional Estimates Statements	Page 155
<b>Analysis</b>	
<p>In the 2023–24 reporting period, the ASA partially achieved its intended performance against this measure, making substantial progress against Target 1.1 and achieving Target 1.2.</p> <p><b>Target 1.1</b> was partially achieved with funding approved, contracts amended and construction commenced for the training systems centre and the live-in accommodation at HMAS <i>Stirling</i>. The target included the completion of construction by 30 June 2024; however this was not met. With further detail available, the ASA now assesses that construction for the live-in accommodation is anticipated to be completed by Q4 2025 and the training centre construction is anticipated to be completed by Q3 2026.</p> <p>While completion dates are longer than originally anticipated, the funding approval and amended contracts included additional accommodation at HMAS <i>Stirling</i> and extensions to training facilities to support SRF-West and meet initial operating support achievement for 2027.</p> <p><b>Target 1.2</b> was achieved with multiple training placements for Australian naval and industry personnel occurring in 2023–24. A cohort of Australian naval and ADF personnel travelled to Guam to commence upskilling in SSN maintenance.</p> <p>Further cohorts of Australian naval personnel completed nuclear training and commenced working at US Naval Reactors; or commenced training to gain Virginia class submarine qualifications and started postings to US submarines for at-sea training. Australian industry personnel undertook placements in Pearl Harbour Naval Shipyard to learn from US counterparts on Virginia class submarine maintenance processes.</p>	

**Table 4:** Performance Measure 2

<b>Performance Measure 2 - Achieved</b>	
Phase 2 – Deliver three Virginia class submarines, pending approval from the US Congress	
<b>Target</b>	<b>2023–24 Result</b>
2.1 Develop the selection process for the Sovereign Submarine Partner – Sustainment.	Achieved
2.2 Establish new arrangements with the US to enable access to nuclear technical capabilities.	Achieved
2.3 Establish procurement arrangements for Virginia-specific training support systems.	Achieved
<b>Reference</b>	
<i>Australian Submarine Agency Corporate Plan 2023–27</i>	Page 16
2023–24 Defence Portfolio Additional Estimates Statements	Page 155
<b>Analysis</b>	
<p>The ASA achieved its intended performance against this measure in 2023–24.</p> <p><b>Target 2.1</b> was achieved when the ASA completed a process to support the Australian Government’s selection of a lead partner for the sustainment of nuclear-powered submarines. In March 2024, the Australian Government announced the selection of ASC Pty Ltd for the sustainment of nuclear-powered submarines, commencing with the Virginia class submarines and followed by the SSN-AUKUS submarines.</p> <p><b>Target 2.2</b> was achieved with the establishment of arrangements with the US for access to nuclear technical capabilities, such as technical support and information exchange, leveraging the US’ long history in the safe operation of nuclear-powered submarines.</p> <p><b>Target 2.3</b> was also achieved through the establishment of procurement arrangements with the US for Virginia-specific training support systems. This training environment will enable future naval officers and sailors to prepare for the arrival of the first Virginia class submarine. The arrangements include the provision of training devices and equipment to train RAN crews. These arrangements were endorsed by the US Congress and publicly announced by the US State Department on 1 December 2023.</p>	

**Table 5:** Performance Measure 3

<b>Performance Measure 3 – Partially Achieved</b>	
Phase 3 – Deliver Australian-built SSN-AUKUS, including infrastructure development at Osborne Shipyard	
<b>Target</b>	<b>2023–24 Result</b>
3.1 Manage and oversee the start of preparatory infrastructure works at the Nuclear-Powered Submarine Construction Yard in Adelaide, South Australia.	Achieved
3.2 Deliver Skills and Training Academy interim operating capability.	Partially Achieved
3.3 Develop the selection process for the Sovereign Submarine Partner – Shipbuilder.	Achieved
<b>Reference</b>	
<i>Australian Submarine Agency Corporate Plan 2023–27</i>	Page 16
2023–24 Defence Portfolio Additional Estimates Statements	Page 155
<b>Analysis</b>	
<p>The ASA partially achieved its intended performance against this measure, fully meeting Targets 3.1 and 3.3 and partially achieving against Target 3.2.</p> <p><b>Target 3.1</b> was achieved when Australian Naval Infrastructure, the government’s appointed design and delivery partner for the construction yard, commenced preparatory infrastructure works at the site in Adelaide, South Australia. The works commenced on 19 December 2023, following approval of an <i>Environment Protection and Biodiversity Conservation Act 1999</i> referral on 8 December 2023.</p> <p><b>Target 3.2</b> was partially achieved, as the contract for the Skills and Training Academy (STA) initiative delivery was not signed as at 30 June 2024. Substantial progress occurred, including the delivery of nuclear mindset training to over 100 industry personnel, trainees and state government representatives.</p> <p>Eight trainers from TAFE South Australia attended the Accelerated Training for Defense Manufacturing course in the US. Funding for the expansion of pilot initiatives was secured in 2024–25 and industry representatives were invited as standing members to the STA’s Steering Committee.</p> <p>A Memorandum of Understanding for information sharing and STA initiative development and delivery between the Commonwealth and South Australian Government is in draft and anticipated to be completed by the end of 2024. Further, a land transfer was completed on 25 June 2024 for the preferred site of the STA campus in close proximity to the Osborne Shipyard, South Australia.</p> <p><b>Target 3.3</b> was achieved with the selection process for the Sovereign Submarine Partner endorsed by a multi-agency governance forum and approved by the Director-General of ASA.</p> <p>In March 2024, the Australian Government announced its selection of ASC Pty Ltd and BAE Systems to deliver Australia’s SSN-AUKUS build program. The two parties will commence working together to mobilise the program under a collaborative arrangement, which will lead to the establishment of a long-term incorporated Joint Venture as Australia’s substantive and enduring submarine builder.</p>	



**Table 6:** Performance Measure 4

<b>Performance Measure 4 – Achieved</b>	
Establish or refine any international arrangements or agreements required to implement the NPS Program and sustain trilateral engagement	
<b>Target</b>	<b>2023–24 Result</b>
4.1 Establish personnel exchange agreements with the UK and the US for APS and ADF personnel.	Achieved
<b>Reference</b>	
<i>Australian Submarine Agency Corporate Plan 2023–27</i>	Page 16
2023–24 Defence Portfolio Additional Estimates Statements	Page 155
<b>Analysis</b>	
<p>The ASA achieved its intended performance against this measure, which is a key enabler for the development of Australia’s sovereign submarine workforce as part of the AUKUS Optimal Pathway.</p> <p>On 9 April 2024, the AUKUS Defence Ministers’ Joint Statement noted that these agreements were in effect, stating that <i>‘Australia and the United Kingdom, and Australia and the United States, have signed bilateral Memoranda of Understanding for personnel exchanges to help accelerate growth of Australia’s sovereign workforce.’</i></p>	

## Key Activity 2 Nuclear Stewardship

Exemplify best practice nuclear stewardship to build and maintain naval nuclear propulsion technology, in compliance with Australian and international obligations.

**Table 7:** Performance Measure 5

<b>Performance Measure 5 – Achieved</b>	
Develop and implement safeguards arrangements as agreed between Australia and the International Atomic Energy Agency	
<b>Target</b>	<b>2023–24 Result</b>
5.1 In consultation with ASNO, DFAT and the Attorney-General’s Department (AGD), engage with the IAEA on the development of Australia’s non-proliferation and safeguards approach.	Achieved
<b>Reference</b>	
<i>Australian Submarine Agency Corporate Plan 2023–27</i>	Page 17
2023–24 Defence Portfolio Additional Estimates Statements	Page 155
<b>Analysis</b>	
<p>The ASA achieved its intended performance against this measure, and remains committed to progressing Australia’s acquisition of conventionally-armed, nuclear-powered submarines in a way that meets the highest nuclear non-proliferation standard.</p> <p>In 2023–24, the ASA worked in consultation with the ASNO, DFAT, and AGD to engage with the IAEA on Australia’s safeguards approach, including negotiating an arrangement under Article 14 of Australia’s Comprehensive Safeguards Agreement.</p> <p>During the reporting period of 1 July 2023 to 30 June 2024, ASA, working with ASNO, DFAT and AGD, contributed to and attended all meetings with the IAEA in the development of a fit-for-purpose nuclear non-proliferation approach for Australia’s NPS Program.</p> <p>In a statement dated 23 March 2024, IAEA Director General Rafael Grossi confirmed the IAEA’s consultation process with Australia on the structure and content of an Article 14 arrangement was ongoing. In his opening statement to the June 2024 Board of Governors meeting, Director General Grossi confirmed that the IAEA continued to engage Australia on its naval nuclear propulsion program and undertook to provide updated reports when warranted by significant developments. The ASA anticipates that consultation with the IAEA on Article 14 matters will be enduring over this multi-decade program.</p> <p>The ASA will continue to support engagements with the IAEA for the life of the NPS Program, and this will be reflected in future targets.</p>	

**Table 8:** Performance Measure 6

<b>Performance Measure 6 – Partially Achieved</b> Set program and technical requirements and standards for nuclear-powered submarine capability across all capability lifecycle phases	
Target	2023–24 Result
6.1 Embed ASA staff in the UK and the US nuclear submarine enterprises, which could include SSN-AUKUS build programs and technical authority organisations, and enrolment in education and training courses.	Achieved
6.2 Define the Australian Technical Authority Plan that describes how Australia will exercise technical control over nuclear-powered submarine design, build, sustainment and operations.	Partially Achieved
Reference	
<i>Australian Submarine Agency Corporate Plan 2023–27</i>	Page 17
2023–24 Defence Portfolio Additional Estimates Statements	Page 156
Analysis	
<p>The ASA partially achieved its intended performance against this measure, successfully embedding ASA staff in partner organisations and making substantial progress on the Australian Technical Authority Plan (the ATA Plan).</p> <p><b>Target 6.1</b> was achieved in the 2023–24 reporting period with ASA staff embedded into AUKUS partners’ nuclear submarine enterprises and technical authority organisations. Through these placements, ASA staff participated in activities such as SSN-AUKUS build programs, the establishment of resident project teams (in-country) and enrolment in education and training courses.</p> <p>Within the reporting period, six ASA staff were embedded into UK organisations and training programs, including the Submarine Delivery Agency and HMS <i>Sultan</i>. Similarly, six ASA staff have been embedded into US organisations or training programs, including in the Naval Nuclear Reactors organisation and in the Bettis Reactor Engineering School program.</p> <p>An additional seven ASA staff have been identified as suitable for UK placements in the second half of the 2024 calendar year. The ASA is continuing to work with organisations in the UK and the US to develop subsidiary arrangements that enable ASA staff to participate in trilateral capability development.</p> <p><b>Target 6.2</b> was partially achieved with the drafting and consultation of the ATA Plan. The ATA Plan is intended to clearly articulate the system of authorised personnel, supporting policies and standards that Australia will put in place to ensure that Australia’s nuclear-powered submarines are designed, built, sustained and operated under strict technical control.</p> <p>The ATA Plan was distributed to our AUKUS partners and major Australian stakeholders for comments, which have been incorporated. The final step to meet this target was for Head Technical in the ASA to officially approve the ATA Plan. The ATA Plan was not approved by Head Technical by 30 June 2024, resulting in a Partially Achieved rating.</p>	

**Table 9:** Performance Measure 7

<b>Performance Measure 7 – Partially Achieved</b>	
Establish stewardship capabilities to support the introduction of naval nuclear technology to Australia	
<b>Target</b>	<b>2023–24 Result</b>
7.1 Establish a licensing approach to meet legislative and regulatory requirements for Phase 1.	Partially Achieved
<b>Reference</b>	
<i>Australian Submarine Agency Corporate Plan 2023–27</i>	Page 17
2023–24 Defence Portfolio Additional Estimates Statements	Page 156
<b>Analysis</b>	
<p>Establishing a licensing approach to meet legislative and regulatory requirements for Phase 1 involves two key steps:</p> <ol style="list-style-type: none"> <li>1. reviewing and capturing all regulatory obligations applicable for Phase 1; and</li> <li>2. developing a comprehensive compliance strategy and compliance plan leading towards achieving all necessary regulatory licences, permits and approvals.</li> </ol> <p>The ASA partially achieved its intended performance against this measure, reviewing and capturing all the radiation protection regulatory obligations necessary to support the rotational presence of the US SSN at HMAS <i>Stirling</i> in Western Australia from as early as 2027.</p> <p>In 2023–24, the ASA continued preparations to support the implementation of Phase 1 by developing a comprehensive approach to legislative and regulatory compliance and assurance. This approach provides a pathway for seeking relevant government regulator approvals to obtain the necessary licences, permits and approvals to support the UK and the US SSN maintenance activities at HMAS <i>Stirling</i>.</p> <p>In 2023–24, the ASA completed the review of the regulatory obligations for radiation protection and incorporated them into a draft comprehensive compliance strategy that also included other necessary regulatory licences, permits and approvals. This target was assessed as Partially Achieved as the comprehensive compliance strategy and plans were not finalised by 30 June 2024.</p> <p>The strategy was applied to the development of the ASA’s first radiation facility licence application that was submitted to the Chief Executive Officer of ARPANSA in March 2024. Refinements and enhancements suggested throughout the development process and in post-submission analysis have been integrated into the strategy or the relevant action plans for subsequent licence applications.</p> <p>ARPANSA made the decision to issue a site preparation licence to the ASA for the Controlled Industrial Facility (a prescribed radiation facility) at HMAS <i>Stirling</i> that will support SSN maintenance and low-level radioactive waste management. This is a positive indication that the draft strategy is appropriately focused on the necessary objectives to support regulatory requirements and obligations.</p> <p>In 2023–24, the ASA also commenced developing a framework that outlines all of the necessary government approvals that are required for the Optimal Pathway. Once the strategy and framework are in place, the ASA will develop and establish comprehensive policy, guidance and plans that will provide the useful information and consistent advice for all future regulatory licence and permit applications.</p>	



# Financial Performance

## 2023–24 Financial Performance Analysis

In 2023–24, the ASA reported an operating surplus of \$26.6 million. This surplus resulted from lower-than-budgeted expenses across various categories, particularly in relation to supplier expenses and employee benefits over the ASA’s first year of operations.

The balance sheet reflects shared service arrangements with the Department of Defence, which has built the ASA’s asset base through increased building access to support the ASA’s activities.

The ASA’s financial statements, including a summary of the ASA’s total resources and payments is provided at Appendix A.

**Table 10:** The ASA Resource Statement 2023–24

	<b>Current available appropriation (a) \$'000</b>	<b>Payments received (b) \$'000</b>	<b>Balance remaining (a)-(b) \$'000</b>
<b>Departmental Annual Appropriations</b>			
Annual appropriation – ordinary annual services <sup>1</sup>	–	–	–
Adjustments to appropriations <sup>1</sup>	327,334	116,266	211,068
Receipts retained under PGPA Act – section 74 <sup>2</sup>	4,635	4,635	–
Total departmental outputs	331,969	120,901	211,068
<b>Total departmental annual appropriations</b>	<b>331,969</b>	<b>120,901</b>	<b>211,068</b>
<b>Departmental other services – Non-operating appropriations</b>			
Annual appropriation – other services – non-operating	–	–	–
Equity Injections	–	–	–
Adjustments to appropriations	62,759	–	62,759
<b>Total departmental – other services – non-operating appropriations</b>	<b>62,759</b>	<b>–</b>	<b>62,759</b>
<b>Total resourcing and payments for ASA</b>	<b>394,728</b>	<b>120,901</b>	<b>273,827</b>

**Notes:**

<sup>1</sup> Appropriation amounts disclosed include amounts withheld under section 51 and include adjustments under section 75 of the *Public Governance, Performance and Accountability Act 2013*.

<sup>2</sup> Receipts retained under section 74 (GST exclusive) of the *Public Governance, Performance and Accountability Act 2013*.

# Osborne Submarine Construction Yard

As part of the AUKUS trilateral agreement between Australia, the UK and the US, the new submarine class, known as SSN-AUKUS, will be built in Adelaide, South Australia.

The delivery of this capability will be a transformative and inter-generational program for industry in South Australia, and across the country, with the first Australian SSN-AUKUS build beginning before the end of this decade.

SSN-AUKUS construction will be supported by an expansion of the existing Osborne Naval Shipyard, to accommodate a new Osborne Submarine Construction Yard.

The preferred site for the yard is located on the Lefevre Peninsula approximately 19 km north of Adelaide.

Over the next few years, it is estimated at least \$2 billion will be invested in South Australian

infrastructure. At its peak, the design and build of the infrastructure for the shipyard is expected to employ up to 4,000 workers.

## Community information sessions

Leading up to the release of the draft Strategic Impact Assessment Report, the ASA and project specialists held a series of community information sessions. These sessions provided an opportunity for stakeholders and community members to engage with the project team, and explore topics about the project and the Strategic Impact Assessment process.

To learn more about Osborne Submarine Construction Yard, visit the ASA website [www.asa.gov.au/projects/osborne-submarine-construction-yard](http://www.asa.gov.au/projects/osborne-submarine-construction-yard).



Osborne Shipyard in Adelaide,  
South Australia







An aerial photograph of a coastline, showing the dark blue ocean on the left and the lighter blue, textured land on the right. A large, semi-transparent green number '4' is positioned in the upper right quadrant of the image.

# 4

## Management and Accountability



A worker at ASC Pty Ltd sustains a Collins class submarine.



# Corporate Governance

## Corporate governance

The ASA governance arrangements are designed to enhance risk-based decision making across trilateral, domestic and internal elements of the program in accordance with our nuclear mindset principles. The ASA committee structure oversees management accountabilities and includes the Executive Committee, People and Culture Committee, and the Audit and Risk Committee.

The Executive Committee is the primary committee supporting the Director-General in agency operational matters, and is supported by other committees such as the People & Culture Committee, which advises on workforce issues such as work health safety, inclusion, diversity and culture. The Director-General also receives independent advice from the ASA Audit and Risk Committee on financial management, system of internal controls, risks management framework and audit reports. Additional trilateral and domestic forums inform critical program considerations. The ASA also participates in Defence's management committees to ensure alignment with Defence priorities and capabilities.

## Fraud systems and certification

Consistent with the requirements set out in Section 10 of the PGPA Rule, the ASA commenced its first whole-of-agency fraud and corruption risk assessment process during the reporting year, to inform an updated *ASA Fraud and Corruption Control Plan*.

The current *ASA Fraud and Corruption Control Plan* was in effect on 1 July 2023 on the first day of commencement of the ASA. The ASA has in place reasonable and appropriate measures, mechanisms, and programs to prevent, detect, investigate, record, and confidentially report suspected fraud and corruption.

## Fraud control and prevention

All staff within the ASA must adhere to policies and procedures and be held accountable for their actions. ASA takes all reasonable steps to minimise the potential for fraud and corruption by designing and implementing internal controls that prevent, detect and deal with fraudulent and corrupt behaviour.

The ASA takes an 'educate, trust and verify' approach to fraud and corruption, on a continuing basis. The protection of its people, information and assets is paramount. In accordance with the *Commonwealth Fraud and Corruption Control Framework 2024*, the ASA meets its mandatory obligations to prevent, detect and respond to fraud and corruption.

At the end of the ASA's first year of operation, the fraud and corruption risk assessment process commenced to inform an updated, more tailored plan, to align with the evolution and current operational status of the ASA.

All employees commencing work with the ASA, and every two years post-commencement, complete mandatory training on fraud and integrity

awareness, which is connected to their individual performance agreement and pay progression. Fraud and corruption education is also promoted under the Defence portfolio, through activities such as International Fraud Awareness Week, education sessions from the National Anti-Corruption Commission, and regular messaging regarding various integrity matters and completed compliance activities. As a Defence portfolio agency, the ASA amplifies and communicates this information to all ASA staff.

In 2023–24, the ASA received two reports of suspected fraud. One matter was determined not to relate to the ASA, and was referred to another Commonwealth entity. The second matter is currently under assessment to determine if it warrants investigation or other administrative action.

## Risk management

Consistent with requirements in the PGPA Act, the PGPA Rule, and the *Commonwealth Risk Management Policy 2023*, the ASA has established systems and appropriate internal controls for oversight and management of risk.

Managing risk well will enable the ASA to achieve its purpose, strategic objectives and to meet government priorities and public expectations. Through the *ASA Risk Management Framework*, the ASA is implementing practices and behaviours for effective risk management. The ASA balances opportunity and accountability while operating with integrity to manage risk to maintain the Australian public's trust and confidence.

In the first year of operation, the ASA has:

- developed and implemented the *ASA Risk Management Framework*, formalising our approach to the management of risk, identifying responsibilities and outlining arrangements to identify, manage and escalate emerging risks;
- developed and commenced a risk management training and education program to embed risk management and positive risk behaviours within the ASA; and
- developed risk registers in key areas of the ASA, and implemented working groups to regularly review risks and the effectiveness of their controls.

## Audit and Risk Committee

The ASA Audit and Risk Committee provides independent advice to the Director-General on the appropriateness of the ASA's financial reporting, performance reporting, system of risk oversight and management, and system of internal control. The ASA Audit and Risk Committee functions are set out in its Terms of Reference, available from the website at [asa.gov.au/about/planning-reporting](https://asa.gov.au/about/planning-reporting).

In 2023–24, the ASA Audit and Risk Committee had four external members, as listed in Table 11. The Deputy Director-General Program and Policy and the Chief Operating Officer are senior advisers of the ASA Audit and Risk Committee. During 2023–24, the ASA Audit and Risk Committee met formally six times.



**Table 11:** ASA Audit and Risk Committee disclosure requirements

Member name and role on the committee	Qualification, knowledge, skills or experience	Committee meetings (attended/ total)	Total annual remuneration (inclusive of GST) (\$)
Ms Jennifer Clark, Chair	<p>From 1 July 2023 to present.</p> <p>Ms Clark has an extensive background in business, finance and governance through a career as an investment banker, where Ms Clark's role included providing advice to the government on Defence major projects.</p> <p>Ms Clark has been a non-executive director since 1991 and has been the chair, deputy chair or a member of more than 20 audit and risk committees and boards in the government and private sectors over the past 30 years.</p> <p>Ms Clark is a Fellow of the Australian Institute of Company Directors and has substantial experience in financial and performance reporting, audit, risk management and project management.</p>	6/6	118,144.44
Ms Elizabeth Montano, Member	<p>From 1 July 2023 to present.</p> <p>Ms Montano holds the degrees of Bachelor of Arts and Bachelor of Laws (UNSW) and is a Fellow of the Australian Institute of Company Directors.</p> <p>Ms Montano has more than 25 years of experience as chair, deputy chair and member of boards and audit and risk committees across a wide range of government and not-for-profit entities in regulation, law enforcement, scientific research, service delivery and social justice programs.</p> <p>Ms Montano has broad-ranging experience in governance and the machinery of government, including finance and performance reporting, risk, assurance and program and project management and oversight. Ms Montano is a former Chief Executive Officer of the Australian Transaction Reports and Analysis Centre (AUSTRAC) and former financial services consultant and senior lawyer with King &amp; Wood Mallesons.</p>	6/6	67,000.00

Member name and role on the committee	Qualification, knowledge, skills or experience	Committee meetings (attended/total)	Total annual remuneration (inclusive of GST) (\$)
Mr Michael Mrdak, Member	<p>From 1 July 2023 to 21 December 2023.</p> <p>Mr Mrdak holds a Bachelor of Arts (Hons), a Graduate Diploma in Education and a Graduate Diploma in Applied Economics.</p> <p>Mr Mrdak has more than 30 years of experience in the APS between 1988 and 2020.</p> <p>Mr Mrdak has held a number of executive roles across a number of Commonwealth agencies and has served as the chair for a number of non-government boards.</p> <p>Mr Mrdak has a broad range of experience in infrastructure, transport and logistics sector, communication and policy reform.</p>	1/6	16,750.00
Mr Mick Kinley, Member	<p>From 22 December 2023 to present.</p> <p>Mr Kinley is the Chief Executive Officer (CEO) of the Australian Maritime Safety Authority (AMSA).</p> <p>He has held the CEO position since 2014 after joining AMSA in 1994 as a Marine Surveyor and undertaking various roles within AMSA.</p> <p>Mr Kinley holds a Bachelor of Engineering (Mechanical), a Bachelor of Applied Science (Marine Engineering), a Graduate Diploma in Legal Studies, and an Australian Chief Engineer Class 1 Certificate.</p> <p>Mr Kinley is a Member of the International Institute of Marine Engineers and Scientists and Australian Institute of Company Directors.</p> <p>Prior to AMSA, Mr Kinley was employed in the shipping industry as a seagoing marine engineer and in-shore based engineering and project roles.</p>	2/6	0.00

## External Scrutiny

### Judicial and administrative tribunal decisions

No judicial decisions, or decisions made by administrative tribunals, were deemed to have had a significant effect on the operations of the ASA during the 2023–24 reporting period.

## Workforce

During 2023–24, the ASA continued to use a shared service arrangement with the Department of Defence to supplement specialist human resource functions provided internally. During 2023–24, the ASA continued to develop the role of human resources and its contribution to organisational objectives through a range of recruitment, retention and cultural activities. These activities support the attraction, retention and growth of the ASA.

### Diversity and inclusion

The ASA is committed to a respectful and inclusive workplace where it is safe for our people to bring their whole selves to work. To support this, during 2023–24 the ASA has implemented a range of initiatives and activities, including:

- updating policies to be gender neutral except where tied to legislative definitions;
- appointing senior leaders to the roles of Diversity Champions focused on the Culturally and Linguistically Diverse (CALD); Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual (LGBTQIA+); Neurodiversity; First Nations; Disability and Mental Health; and Women and Gender; and
- undertaking a range of diversity and inclusion activities, including Trans & Gender Diverse Introduction Webinar, R U OK? Day Morning Tea and virtual and in-person events for International Women’s Day.

The ASA is a member of the Diversity Council of Australia and Pride in Diversity. ASA personnel use the tools and services provided by these networks to help guide best practice initiatives and actions in workplace diversity and inclusion.

## Recruitment

As a new agency with an ambitious program to support the delivery of the NPS Program, the ASA has a significant growth trajectory. In the ASA’s first year, the APS workforce grew by 257, having 544 staff at 30 June 2024. The ASA is endeavouring to grow its APS workforce to 995 by 2026–27.

The attraction of high quality and specialised candidates to meet ASA’s program requirements is one of the ASA’s highest priorities. At the same time, it presents one of the greatest challenges due to the highly competitive external market for specialised skills, particularly within the technical sphere, and the need for candidates to meet stringent security clearance requirements.

The ASA's aim for the future is to implement strategies and policy, which will provide agility to recruit successfully at scale, and ensure candidate care is actively managed during the security clearance process.

The ASA has continued to shape and refine our selection approach for assessing candidates to meet the capability requirements of the ASA. This includes using bulk recruitment processes, temporary employment registers and streamlined processes.

The ASA is also working in partnership with a range of academic institutions to develop talent pipelines to support future workforce growth.

## First Nations attraction and development

During 2023–24, the ASA continued to use a shared service arrangement with the Department of Defence for Aboriginal and Torres Strait Islander recruitment activities. The ASA also appointed a Diversity Champion at the SES Band 1 for First Nations and celebrated NAIDOC Week and Reconciliation Week, including a virtual Yarning Circle facilitated by Evolve Communities.

## Training

In addition to mandatory training, the ASA has invested in building the skills and knowledge of its employees through a range of in-house and external offerings. These offerings have included nuclear proficiency (beginner to advanced), building manager capability, writing and communication, and health and wellbeing.

During the reporting period, the ASA continued to leverage training offered by Defence through the shared services agreement.

## Entry-level programs

The ASA engaged in the Australian Government Graduate Program through the Human Resources, Legal, and Accounting & Financial Management streams.

The ASA also participates in the Defence Graduate Program (Defence Policy & Corporate and Technical Pathways). The Defence Graduate Program allows graduates across all degree disciplines, including languages, political science, project management and international relations to apply for permanent employment within the ASA. During 2023–24, 29 graduates joined the ASA.

Prior to 30 June 2024, the ASA also engaged nine students who had completed a Year 12 certificate via the Department of Finance School Leaver Program.

The ASA opened applications for the Nuclear Graduate Program on 15 March 2024. This program will attract the future nuclear workforce by providing employment and development opportunities through a centrally managed recruitment program made available to all Commonwealth nuclear agencies.



This program will support graduate retention within the nuclear sector by offering unique experiences through graduate rotations that will build proficiency and capability across the sector. The first full cohort of the Nuclear Graduate Program will commence in February 2025.

## Flexible working arrangements

The ASA is committed to providing flexible working arrangements that support employees to balance their professional and personal commitments and maximise participation in the workforce. Flexible working arrangements are balanced with information security requirements. The types of flexible work arrangements currently available in the ASA include flexible working hours, time off in lieu, local working arrangements, telework, part-time work, job sharing and shift work.

## Domestic and family violence

The ASA is committed to supporting employees affected by family and domestic violence through embracing the *Defence Family and Domestic Violence Strategy 2017–22* and the *Commanders and Managers Guide to Responding to Family and Domestic Violence*, which provide managers with foundational information about how to support someone experiencing domestic violence.

## Disability reporting

*Australia's Disability Strategy 2021–2031* is the overarching framework for inclusive policies, programs and infrastructure that will support people with a disability to participate in all areas of Australian life. This strategy sets out changes (where practical) to improve the lives of people with a disability in Australia. It acts to ensure the principles underpinning the UN Convention on the 'Rights of Persons with Disabilities' are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the strategy.

## Commonwealth Child Safe Framework

As part of its response to the Royal Commission into Institutional Responses to Child Sexual Abuse, the Australian Government committed to the development and implementation of the Commonwealth Child Safe Framework to protect children and young people who may have contact with Commonwealth entities. The ASA currently leverages the Department of Defence's suite of policies, training and resources under the Defence Youth Safety Framework.

## The Positive Duty under the *Sex Discrimination Act 1984*

The Positive Duty is a legal obligation on organisations and businesses to take proactive and meaningful action to prevent relevant unlawful conduct from occurring in the workplace or in connection to work.

To meet this requirement, all ASA personnel are required to undertake mandatory training on Workplace Behaviour. Additional proactive measures include the appointment of workplace behaviour advisors and the introduction of a psychosocial risk register that supports work areas to identify potential hazards such as harassment, including sexual and gender-based misconduct. This register supports work areas to identify psychosocial risks and implement control measures before incidents occur.

## Work Health and Safety

The ASA is committed to providing a safe working environment and ensuring the health, safety and welfare of our staff. Pivotal to work health and safety (WHS) in the ASA is a focus on mental health and wellbeing. ASA has held several sessions to support this including *Mental Health First Aid* and *Bootcamp for the Brain*.

As the ASA builds its internal WHS capability, and implements the ASA WHS Management System, we continue to be supported by the Department of Defence. The ASA is also establishing its own relationship with Comcare in relation to both WHS and rehabilitation.

The ASA staff and their immediate families have access to the Defence Employee Assistance Program, which provides free and confidential coaching and counselling services.

## Performance Management

All ASA employees and their APS and ADF supervisors are required to participate in the Performance Feedback Assessment and Development Scheme (PFADS).

PFADS supports a strong performance culture, as it provides a framework for employees and their supervisors to discuss and establish expectations regarding performance and behaviour, to recognise, reward and reinforce strong performance, and to identify and encourage improvement where necessary.

The foundation of the performance framework is frequent quality performance conversations between an employee and their supervisor throughout the performance cycle. By regularly discussing performance, sharing ongoing feedback and acknowledging achievements and performance, supervisors and employees create a sustainable strong performance culture.

The ASA's annual performance cycle runs from 1 September until 31 August. Key events in the performance cycle include:

- frequent clarity, check-in and closing conversations that occur continually throughout the performance cycle, to discuss particular work activities; and
- three defined checkpoint conversations to set expectations, review performance and assess performance, which occur at distinct points within the performance cycle to discuss the standard of work performance and expectations of the employee.

The ASA's performance management process is underpinned by policies to assist supervisors to lead and encourage employees to high performance and improve poor performance.

## Non-Senior Executive Service (SES) APS employees

The APS (non-SES) employees have their terms and conditions of employment set out in an enterprise agreement made under the *Fair Work Act 2009*.

The agreement, developed through consultation with employees and their representatives, was negotiated consistent with legislation and government policy.

Following the Machinery of Government change on 1 July 2023, the ASA non-SES employees were covered by the *Defence Enterprise Agreement 2017–2020* as applied by the Public Service (Terms and Conditions of Employment) (Australian Submarine Agency) Determination 2023. The inaugural *ASA Enterprise Agreement 2024–2027* replaced this determination on 4 April 2024.

At times, individual flexibility arrangements are made with non-SES employees where they meet the genuine needs of the ASA and the employee.

## SES APS employees

Employment conditions for substantive SES employees are provided by individual determinations made under section 24(1) of the *Public Service Act 1999*, relevant policies and Commonwealth legislation.

## Non-salary APS benefits

The ASA offers a range of non-salary-related benefits for APS employees. These include access to flexible working arrangements, annual influenza immunisation, studies assistance and a range of learning and development opportunities. Employees are also eligible to participate in salary sacrifice arrangements such as additional superannuation contributions and leased motor vehicles.

## Performance pay

Non-SES APS employees move through their salary range subject to fully effective or better performance. Employees at the top of the range may receive a 1 per cent lump sum bonus, which is considered a form of performance pay. The reference to bonuses in Tables 26 & 27 refer to payments made to employees either temporarily acting in, or promoted to, SES positions or those identified as Other Highly Paid Staff.

## Asset Management

As at 30 June 2024, the ASA managed \$152 million of non-financial assets primarily made up of right-of-use leased building assets. The ASA's framework for managing assets ensures compliance with the Australian Accounting Standards and is consistent with best practice.

## APS Net Zero 2030 Emissions Reporting

The ASA's emissions are included as part of Defence's reporting, under the Memorandum of Understanding, which includes the ASA's fleet management, domestic travel, electricity and natural gas arrangements.

## Procurement

During 2023–24, the ASA adhered to the Commonwealth Procurement Rules (CPRs) and associated policy and guidelines.

In accordance with the CPRs, the ASA made use of whole-of-government and Defence procurement arrangements, where specific skills were required or where they represented best value for money.

## Expenditure on reportable consultancy contracts

During 2023–24, the ASA entered into four new reportable consultancy contracts involving a total actual expenditure of \$391,993 (inclusive of GST).

The ASA only engages consultants when the internal workforce lacks the specialised knowledge or experience necessary to complete the task. When engaging consultants, the ASA's preference is to use mandated whole-of-government arrangements and prioritised panels/standing offer arrangements established by Defence. Where possible, ASA engages with Indigenous Small and Medium Enterprises (SMEs).

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.



**Table 12:** Reportable consultancy contract expenditure 2023–24

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	4	391,993
Ongoing contracts entered into during a previous reporting period*	–	–
<b>Total</b>	<b>4</b>	<b>391,993</b>

\* This is ASA's first annual reporting period.

**Table 13:** Top five organisations receiving a share of reportable consultancy contract expenditure, 2023–24

Name of Organisation	Expenditure \$ (GST inc.)
Deloitte	332,465
Cobalt Limited	42,778
Michael Mrdak	16,750
<b>Total</b>	<b>391,993</b>

During the 2023–24 reporting period, the following organisations received one or more contracts equal in total to at least 5% of the entity's total expenditure on reportable consultancy contract expenditure.

**Table 14:** Contracts equal in total to at least 5% of the entity's total expenditure on reportable consultancy contract expenditure, 2023–24

Name of Organisation	Expenditure \$ (GST inc.)
Deloitte	332,465
Cobalt Limited	42,778
<b>Total</b>	<b>375,243</b>

## Expenditure on reportable non-consultancy contracts

ASA has entered into 88 new reportable non-consultancy contracts during the reporting period. The total actual expenditure on these contracts has been \$28,802,574 (inclusive of GST).

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

**Table 15:** Reportable non-consultancy contract expenditure, 2023–24

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	88	28,802,574
Ongoing contracts entered into during a previous reporting period*	–	–
<b>Total</b>	<b>88</b>	<b>28,802,574</b>

\* This is ASA's first annual reporting period.

**Table 16:** Top five organisations receiving a share of reportable non-consultancy contract expenditure, 2023–24

Name of Organisation	Expenditure \$ (GST inc.)
GHD Pty Ltd	2,317,159
Accenture Australia Pty Ltd	2,062,500
Yellow Tail Solutions Pty Ltd	1,812,191
Ashurst Australia	1,390,546
Power Initiatives	1,184,915
<b>Total</b>	<b>8,767,311</b>

During the 2023–24 reporting period, the following contracts received one or more contracts equal in total to at least 5% of the entity's total expenditure on reportable non-consultancy contract expenditure.

**Table 17:** Organisations that received one or more contracts equal in total to at least 5% of the entity’s total expenditure on reportable non-consultancy contract expenditure, 2023–24

Name of Organisation	Expenditure \$ (GST inc.)
GHD Pty Ltd	2,317,159
Accenture Australia Pty Ltd	2,062,500
Yellow Tail Solutions Pty Ltd	1,812,191
<b>Total</b>	<b>6,191,850</b>

## Exempt contracts

The ASA did not enter into contracts with a value greater than \$10,000 (inclusive of GST), which have been exempted from being published in AusTender, in accordance with the *Freedom of Information Act 1982* (FOI Act).

## Small business

The ASA supports small business participation in the Australian Government procurement market. SME and Small Enterprise participation statistics are available on the Department of Finance’s website.

Through its procurement practices and consistent with the 2019 Defence Policy for Industry Participation, the ASA aims to support SMEs by:

- elevating the understanding and awareness of commonly reported issues and challenges facing SMEs as they pertain to ASA;
- seeking to influence Commonwealth of Australia and Defence Procurement Policies to provide enhanced opportunities for SMEs and to remove barriers to their participation;
- directly maximising opportunities for participation by SMEs; and
- supporting education programs for delivery to Defence and Defence industry stakeholders to emphasise the importance and opportunities for SMEs.

## Current initiatives

The Defence Industry Vendor Qualification (DIVQ) program is a project where the ASA, in collaboration with the US Government, engages with the Australian industrial base including SMEs to determine their capability and capacity to manufacture and test components from existing and proven build-to-print technical drawings.

The DIVQ will begin with the Australian industrial base manufacturing prototypes for qualification by the US shipbuilders, Huntington Ingalls Industries and General Dynamics Electric Boat with the possibility of supplying these components into the Virginia class submarine supply chain.

## Communications and liaison

ASA connects primarily with SMEs through intermediaries including national industry associations, state and territory advocacy bodies and the Office of Defence Industry Support industry engagement teams.

## Additional information

ASA reported a nil return during the reporting period of 2023–24 for organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.





Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP, announces the build and sustainment partners for Australia's nuclear-powered submarines in Adelaide, South Australia.

# Australian Nuclear Operator Graduates

## United States – Nuclear Propulsion School

The first three RAN officers to attend the Nuclear Propulsion School in Charleston, US successfully graduated in July 2023. The naval nuclear program is widely acknowledged as having the most demanding academic program in the US military. The students continued training in the US (Nuclear Power Training Unit and the Submarine Officers Basic Course) and were posted to a Virginia class SSN to continue their 'at-sea' training.

Chief of Navy, Vice Admiral Hammond AO RAN was honoured to attend the graduation of the first three Royal Australian Navy officers to attend Nuclear Power School in Charleston, United States.







Chief of Navy, Vice Admiral Hammond AO RAN and the Director-General of the Australian Submarine Agency Vice Admiral Mead AO RAN, with the first Royal Australian Navy officers to graduate from the Royal Navy's Nuclear Reactor Course.

## United Kingdom – Royal Navy's Nuclear Reactor Course

The first three RAN officers graduated from the Royal Navy's Nuclear Reactor Course, following their completion of the Officers Nuclear Operators Course and Engineering Administration Course in the UK. This marks a significant milestone for AUKUS and the development of Australian capability.

## Training and Development Programs

US Navy Virginia class submarine USS *North Carolina* (SSN 777) arrived at Fleet Base West, Rockingham, Western Australia in August 2023. The visit enabled Australian military and civilian personnel to begin training and development programs with the US Navy.

The US has increased SSN port visits to Australia, enabling Australian sailors to join US crews for training and development. The visit reflects the ongoing strength of Australia's Alliance with the US and builds on the visits of prior nuclear-powered submarines over the last 60 years.

The UK will increase port visits to Australia from 2026.

Director-General Australian Submarine Agency Vice Admiral Mead AO RAN watches US Navy Virginia class submarine USS *North Carolina* (SSN 777) as the submarine arrives at Fleet Base West in Rockingham, Western Australia.







An aerial photograph of a coastline, showing the dark blue sea on the left and the lighter blue, textured land on the right. A large, semi-transparent green number '5' is overlaid on the right side of the image.

# 5

## Appendices



Los Angeles class submarine USS *Annapolis* (SSN 760) arriving alongside Diamantina Pier at Fleet Base West, HMAS *Stirling*, WA.



# Appendix A: Financial statements



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Defence

#### Opinion

In my opinion, the financial statements of the Australian Submarine Agency (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Director-General and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### 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 Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement 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.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Director-General is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Director-General is also responsible for such internal control as the Director-General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director-General is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Director-General is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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

### **Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements.

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 statements, 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's 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 Entity'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 statements 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 Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority 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.

Australian National Audit Office



Lorena Skipper

Executive Director

Delegate of the Auditor-General

Canberra

15 October 2024



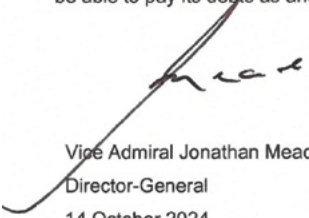
**Australian Submarine Agency**

**STATEMENT BY THE DIRECTOR-GENERAL AND CHIEF FINANCIAL OFFICER**

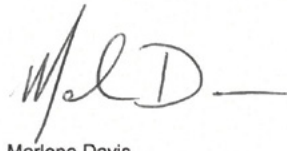
*For the period ended 30 June 2024*

In our opinion, the attached financial statements for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe the Australian Submarine Agency will be able to pay its debts as and when they fall due.



Vice Admiral Jonathan Mead AO RAN  
Director-General  
14 October 2024



Marlena Davis  
Chief Financial Officer  
14 October 2024

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**Australian Submarine Agency**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*For the period ended 30 June 2024*

	Notes	2024 \$'000	Original budget <sup>1</sup> \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Supplier expenses	1.1B	126,497	228,771
Employee benefits	1.1A	79,738	86,563
Depreciation and amortisation	2.2A	10,299	202
Finance costs	1.1C	5,336	-
Net foreign exchange losses		57	-
<b>Total expenses</b>		<b>221,927</b>	<b>315,536</b>
<b>INCOME</b>			
<b>Own-source income</b>			
Resources received free of charge	1.2A	13,120	-
Other revenue		66	-
<b>Total own-source income</b>		<b>13,186</b>	<b>-</b>
<b>Net (cost of) services</b>		<b>(208,741)</b>	<b>(315,536)</b>
Revenue from Government	1.2B	235,334	315,334
<b>Surplus/(Deficit)</b>		<b>26,593</b>	<b>(202)</b>
<b>Total comprehensive income/(loss)</b>		<b>26,593</b>	<b>(202)</b>

1. The original budget published by the ASA is the Portfolio Additional Estimates Statements 2023-24 (PAES) and is disclosed in line with requirements of *AASB 1055 Budgetary Reporting*. Budget variance reporting is at Note 7.

The above statement should be read in conjunction with the accompanying notes.

**Australian Submarine Agency**  
**STATEMENT OF FINANCIAL POSITION**  
*As at 30 June 2024*

	Notes	2024 \$'000	Original budget <sup>1</sup> \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2.1A	2,934	-
Trade and other receivables	2.1B	2,365	-
Appropriation receivables	2.1C	124,219	108,036
<b>Total financial assets</b>		<b>129,518</b>	<b>108,036</b>
<b>Non-financial assets</b>			
Buildings (including right-of-use)	2.2A	122,691	5,193
Leasehold improvements	2.2A	1,237	2,690
Prepayments	2.2B	28,039	-
<b>Total non-financial assets</b>		<b>151,967</b>	<b>7,883</b>
<b>Total assets</b>		<b>281,485</b>	<b>115,919</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Supplier payables		67,277	51,119
Employee payables	2.3A	2,115	2,848
Other payables		1,845	-
<b>Total payables</b>		<b>71,237</b>	<b>53,967</b>
<b>Interest bearing liabilities</b>			
Leases	2.4A	127,416	-
<b>Total interest bearing liabilities</b>		<b>127,416</b>	<b>-</b>
<b>Provisions</b>			
Employee provisions	2.5A	21,222	27,136
<b>Total provisions</b>		<b>21,222</b>	<b>27,136</b>
<b>Total liabilities</b>		<b>219,875</b>	<b>81,103</b>
<b>Net assets</b>		<b>61,610</b>	<b>34,816</b>
<b>EQUITY</b>			
Contributed equity		35,017	8,085
Retained surplus		26,593	26,731
<b>Total equity</b>		<b>61,610</b>	<b>34,816</b>

1. The original budget published by the ASA is the Portfolio Additional Estimates Statements 2023-24 (PAES) and is disclosed in line with requirements of AASB 1055 *Budgetary Reporting*. Budget variance reporting is at Note 7.

The above statement should be read in conjunction with the accompanying notes.



**Australian Submarine Agency**  
**STATEMENT OF CHANGES IN EQUITY**  
*For the period ended 30 June 2024*

	2024 \$'000	Original budget <sup>1</sup> \$'000
<b>CONTRIBUTED EQUITY</b>		
<b>Opening balance</b>		
Balance carried forward from previous period	-	-
<b>Transactions with owners</b>		
<b>Contribution by owners</b>		
Equity restructure <sup>2</sup> - transfer from Defence (current year)	26,932	26,933
Departmental capital appropriations (current year)	8,085	8,085
<b>Total transactions with owners</b>	<b>35,017</b>	<b>35,018</b>
<b>Closing balance as at 30 June</b>	<b>35,017</b>	<b>35,018</b>
<b>RETAINED SURPLUS</b>		
<b>Opening balance</b>		
Balance carried forward from previous period	-	-
<b>Comprehensive income</b>		
Surplus/(Deficit)	26,593	(202)
<b>Total comprehensive income/(loss)</b>	<b>26,593</b>	<b>(202)</b>
<b>Closing balance as at 30 June</b>	<b>26,593</b>	<b>(202)</b>
<b>ASSET REVALUATION RESERVE</b>		
<b>Opening balance</b>		
Balance carried forward from previous period	-	-
<b>Closing balance as at 30 June</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		
<b>Opening balance</b>		
Balance carried forward from previous period	-	-
<b>Comprehensive income</b>		
Surplus/(Deficit)	26,593	(202)
Other comprehensive income/(loss)	-	-
<b>Total comprehensive income/(loss)</b>	<b>26,593</b>	<b>(202)</b>
<b>Transactions with owners</b>		
<b>Contribution by owners</b>		
Equity restructure <sup>2</sup> - transfer from Defence (current year)	26,932	26,933
Departmental capital appropriations (current year)	8,085	8,085
<b>Total transactions with owners</b>	<b>35,017</b>	<b>35,018</b>
<b>Closing balance as at 30 June</b>	<b>61,610</b>	<b>34,816</b>

1. The original budget published by the ASA is the Portfolio Additional Estimates Statements 2023-24 (PAES) and is disclosed in line with requirements of *AASB 1055 Budgetary Reporting*. Budget variance reporting is at Note 7.
2. As part of the establishment of the ASA, existing balances relating to prepayments and employee liabilities were transferred from the Department of Defence (Defence). This has been accounted for as an equity injections.

The above statement should be read in conjunction with the accompanying notes.

**Accounting Policy**

**Equity Injections**

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that respective year.

## Australian Submarine Agency

### CASH FLOW STATEMENT

For the period ended 30 June 2024

	Notes	2024 \$'000	Original budget <sup>1</sup> \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		119,200	207,298
Net GST received		2,298	-
Section 74 receipts		4,635	-
Other		5	-
<b>Total cash received</b>		<b>126,138</b>	<b>207,298</b>
<b>Cash used</b>			
Employees		63,094	70,134
Suppliers		59,990	137,164
GST paid		-	-
Grants		-	-
Interest payments on lease liabilities		-	-
Section 74 receipts transferred to Official Public Account		-	-
Other		120	-
<b>Total cash used</b>		<b>123,204</b>	<b>207,298</b>
<b>Net cash from operating activities</b>		<b>2,934</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment		-	8,085
<b>Total cash used</b>		<b>-</b>	<b>8,085</b>
<b>Net cash from investing activities</b>		<b>-</b>	<b>(8,085)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	8,085
<b>Total cash received</b>		<b>-</b>	<b>8,085</b>
<b>Cash used</b>			
<b>Total cash used</b>		<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>		<b>-</b>	<b>8,085</b>
<b>Net increase/(decrease) in cash held</b>		<b>2,934</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period		-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>2,934</b>	<b>-</b>

1. The original budget published by the ASA is the Portfolio Additional Estimates Statements 2023-24 (PAES) and is disclosed in line with requirements of AASB 1055 *Budgetary Reporting*. Budget variance reporting is at Note 7.

The above statement should be read in conjunction with the accompanying notes.

## Australian Submarine Agency

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the period ended 30 June 2024

#### Overview

The Australian Submarine Agency (ASA) was established on 1 July 2023 and is a federal government entity domiciled in Australia. The ASA's principal activity is to safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's conventionally-armed nuclear-powered submarine capability for Australia, via the Australia, United Kingdom and United States (AUKUS) partnership. The ASA's principal place of business is in Canberra.

The continued existence of the ASA in its present form is dependent on Government policy and on continuing funding by Parliament.

#### The Basis of Preparation

The financial statements, including notes, are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities which are recorded at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

#### Foreign Exchange

Transactions denominated in a foreign currency are converted at the exchange rate on the date of transaction. Foreign currency receivables and payables are translated at the exchange rate at the balance sheet date.

#### New Accounting Standards

There are no new accounting standards which have been adopted during 2023-24.

#### Taxation

The ASA is exempt from all forms of taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

#### Restructure of Administrative Arrangements

The Government undertook a restructure of administrative arrangements on 1 July 2023 which established the ASA. As part of this restructure, the ASA initially received \$390.1 million in annual appropriations from Defence under a Section 75 PGPA Act determination. The transfer included a prepayment asset of \$40.5 million to support the delivery of Australia's nuclear-powered submarine capability, and \$13.6 million to support the transfer of employee leave liabilities.

#### Events After the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the ASA, the results of these operations or state of affairs of the ASA in subsequent years.

# Australian Submarine Agency NOTES TO AND FORMING THE FINANCIAL STATEMENTS

For the period ended 30 June 2024

## 1. Financial Performance

### 1.1: Expenses

	2024
	\$'000
<b>Note 1.1A: Employee benefits</b>	
<b>Australian Public Service (APS) employee benefits</b>	
Wages and salaries	45,810
Superannuation	
Defined contribution plans	6,348
Defined benefit plans	1,819
Leave and other entitlements	8,129
Fringe benefits tax	1,728
Other allowances	3,681
<b>Total APS employee benefits</b>	<b>67,515</b>
<b>Australian Defence Force (ADF) employee benefits<sup>1</sup></b>	
Wages and salaries	12,223
<b>Total ADF employee benefits</b>	<b>12,223</b>
<b>Total employee benefits (net)</b>	<b>79,738</b>

1. The ASA recognises resources free of charge (Note 1.2A) for those ADF members administratively posted to the ASA although there is no cash payment to Defence for reimbursement of salaries and wages.

### Accounting Policy

#### (a) Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting. Employee leave liabilities are estimated using current remuneration, including superannuation contributions. The rates applied reflect expected pay levels when leave is likely to be taken, to the extent leave is taken during employment rather than paid out on termination.

#### (b) Superannuation – APS Employees

Permanently appointed APS employees of the ASA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) and other superannuation schemes held outside the Commonwealth.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance as an administered item. The ASA makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the ASA's employees. The ASA accounts for these contributions as if they were contributions to defined contribution plans in accordance with *AASB 119 Employee Benefits*. The liability for superannuation recognised in the departmental statements as at 30 June 2024 represents outstanding contributions yet to be paid.

#### (c) Paid Parental Leave

The ASA provides payments to employees under the Government Paid Parental Scheme. The receipts received are offset by the payments made to the employees and any balance outstanding at the end of the year is recognised as a liability.



**Australian Submarine Agency**  
**NOTES TO AND FORMING THE FINANCIAL STATEMENTS**  
*For the period ended 30 June 2024*

	<b>2024</b>
	<b>\$'000</b>
<b>Note 1.1B: Supplier expenses</b>	
<b>Goods and services supplied or rendered</b>	
Technical Services <sup>1</sup>	52,385
Contracted services	31,880
Corporate shared services	22,349
Travel	11,207
Administration	4,508
Training	2,273
Other	1,487
<b>Total goods and services supplied or rendered</b>	<b>126,089</b>
Goods supplied	240
Services rendered	125,849
<b>Total goods and services supplied or rendered</b>	<b>126,089</b>
<b>Other supplier expenses</b>	
Short term leases <sup>2</sup>	408
<b>Total other supplier expenses</b>	<b>408</b>
<b>Total supplier expenses</b>	<b>126,497</b>

1. Represents payments made to support the delivery of Australia's nuclear-powered submarine capability.
2. Short term leases include accommodation for ASA personnel working overseas with AUKUS partners.

**Accounting Policy**

The ASA has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less, and leases of low-value assets (less than \$10,000). The ASA recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Refer to Note 2.4 for additional policy on other leases.

**Note 1.1C: Finance costs**

Interest on lease liabilities	Note 2.4	5,336
<b>Total finance costs</b>		<b>5,336</b>

# Australian Submarine Agency

## NOTES TO AND FORMING THE FINANCIAL STATEMENTS

For the period ended 30 June 2024

### 1.2: Own-Source Revenue and Gains

	2024
	\$'000
<b>Note 1.2A: Resources received free of charge</b>	
ADF salaries received free of charge	12,223
Corporate shared services support received free of charge - Property	805
Remuneration of auditors	92
<b>Total resources received free of charge</b>	<b>13,120</b>

#### Accounting Policy

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge (RRFOC) are recorded as either revenue or gains depending on their nature.

Defence undertakes the administrative posting of Australian Defence Force (ADF) members to the ASA to support ASA's activities. During the period of the administrative posting, these personnel are made available to the ASA free of charge, however they remain under the ultimate command of the Chief of the Defence Force. The RRFOC for this financial period is \$12.22 million.

Defence also provides corporate support services at existing Defence locations free of charge. The RRFOC for this financial period is \$0.81 million.

The remuneration of the Australian National Audit Office for the audit of the Annual Financial Statements is provided free of charge.

#### Note 1.2B: Revenue from Government

##### Appropriations:

Departmental appropriations	235,334
<b>Total revenue from Government</b>	<b>235,334</b>

#### Accounting Policy

Departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the ASA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

The ASA draws down appropriations on a just-in-time basis. The undrawn appropriations as at 30 June 2024 are reflected as a receivable and are available to be drawn down to meet future obligations. Appropriations receivable are recognised at their nominal amounts.

# Australian Submarine Agency NOTES TO AND FORMING THE FINANCIAL STATEMENTS

For the period ended 30 June 2024

## 2. Financial Position

### 2.1: Financial Assets

2024  
\$'000

#### Note 2.1A: Cash and cash equivalents

Cash at bank	2,934
<b>Total cash and cash equivalents</b>	<b>2,934</b>

#### Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand and deposits in bank accounts.

#### Note 2.1B: Trade and other receivables

##### Employees receivables

Employees receivables	814
<b>Total employees receivables</b>	<b>814</b>

##### Other receivables

GST receivable from the Australian Taxation Office	699
Other <sup>1</sup>	852
<b>Total other receivables</b>	<b>1,551</b>
<b>Total trade and other receivables (net)</b>	<b>2,365</b>

1. Other receivables predominantly relates to receivables from other Departments for leave liabilities of those employees transferring to the ASA.

#### Accounting Policy

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Credit terms for goods and services were within 20 days.

#### Note 2.1C: Appropriation receivables

Appropriation receivables	124,219
<b>Total appropriation receivables</b>	<b>124,219</b>

### 2.2: Non-Financial Assets

#### 2.2A: Reconciliation of the opening and closing balances of property, plant and equipment

	Buildings \$'000	Leasehold Improvements \$'000	Total \$'000
<b>Total as at 1 July 2023</b>	-	-	-
Additions			
By purchase	-	1,237	1,237
Right-of-use assets	132,990	-	132,990
Depreciation of right-of-use assets	(10,299)	-	(10,299)
<b>Total as at 30 June 2024</b>	<b>122,691</b>	<b>1,237</b>	<b>123,928</b>
<b>Total as at 30 June 2024 represented by</b>			
Gross book value	132,990	-	132,990
Accumulated depreciation, amortisation and impairment	(10,299)	-	(10,299)
<b>Total as at 30 June 2024</b>	<b>122,691</b>	<b>1,237</b>	<b>123,928</b>
<b>Carrying amount of right-of-use assets</b>	<b>122,691</b>	<b>-</b>	<b>122,691</b>

## Australian Submarine Agency NOTES TO AND FORMING THE FINANCIAL STATEMENTS

For the period ended 30 June 2024

### Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for plant and equipment costing less than \$10,000 or leasehold improvement costing less than \$100,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Where relevant, the initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located, with a corresponding provision for the 'make good' costs recognised as a liability.

### Lease right-of-use Assets

Lease right-of-use assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned. Lease right-of-use assets continue to be measured at cost, less any impairment, after initial recognition.

### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset class	Useful life
Buildings	30 – 50 years
Infrastructure	10 – 30 years
Plant and equipment	5 – 10 years

The depreciation rates for right-of-use assets are based on the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### Impairment

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.



## Australian Submarine Agency NOTES TO AND FORMING THE FINANCIAL STATEMENTS

For the period ended 30 June 2024

	2024
	<u>\$'000</u>
<b>Note 2.2B: Prepayments</b>	
Non-capital prepayments <sup>1</sup>	28,039
<b>Total prepayments</b>	<u>28,039</u>

1. The ASA received a prepayment from Defence as part of the restructure of administrative arrangements to support the delivery of Australia's nuclear-powered submarine capability. These amounts are recognised in expenses as the costs are incurred.

### 2.3: Payables

#### Note 2.3A: Employee payables

Salaries and wages	1,830
Superannuation	285
<b>Total employee payables</b>	<u>2,115</u>

### 2.4: Interest Bearing Liabilities

#### Note 2.4A: Leases

Lease liabilities	127,416
<b>Total leases</b>	<u>127,416</u>

#### Maturity analysis - contractual undiscounted cash flows

Within 1 year	11,043
Between 1 to 5 years	43,005
More than 5 years	115,850
<b>Total contractual undiscounted cash flows</b>	<u>169,898</u>
Less: Lease interest	(42,482)
<b>Total leases</b>	<u>127,416</u>

#### Accounting Policy

For all new contracts entered into, the ASA considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the ASA's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Where leases contain price increases they are ordinarily either a fixed percentage of the lease payments, or variable based on a rate such as a price or cost index. In some cases, leases will contain options for the ASA to extend the lease term or purchase the asset at the conclusion of the lease. The ASA considers all relevant facts and circumstances that create an economic incentive for the ASA to exercise, or not to exercise, the option, including any expected changes in facts and circumstances.

The ASA does not guarantee the residual value of any significant lease assets and no sale and leaseback transactions were recorded in the 2023-24 financial year.

**Australian Submarine Agency**  
**NOTES TO AND FORMING THE FINANCIAL STATEMENTS**  
*For the period ended 30 June 2024*

**2.5: Employee Provisions**

	2024
	\$'000
<b>Note 2.5A: Employee provisions</b>	
<b>Australian Public Service (APS) employee provisions</b>	
Long service leave	13,439
Annual leave	7,783
<b>Total APS employee provisions</b>	<b>21,222</b>
<b>Total employee provisions</b>	<b>21,222</b>

**Accounting Judgements and Estimates**  
 The liability for long service leave is determined using the Shorthand Method as per the *Public Governance, Performance and Accountability (Financial Reporting) Rule (FRR)* and Commonwealth Entity Financial Statements Guide. The estimate of the present value of the estimate of the present value of the liability takes into account employee attrition rates and pay increases through promotion and inflation.

**Australian Submarine Agency**  
**NOTES TO AND FORMING THE FINANCIAL STATEMENTS**  
*For the period ended 30 June 2024*

**3. Funding**

**3.1: Appropriations**

**3.1A: Annual appropriations ('recoverable GST exclusive')**

Annual Appropriations for 2023-24

	Annual Appropriation	Adjustments to appropriations <sup>1</sup>	Total Appropriation	Appropriation applied in 2024 (current and prior years)	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENTAL</b>					
Ordinary annual services	-	331,969	331,969	(120,901)	211,068
Capital budget	-	-	-	-	-
Other services	-	-	-	-	-
Equity injection - non operating	-	62,759	62,759	-	62,759
<b>Total departmental</b>	-	<b>394,728</b>	<b>394,728</b>	<b>(120,901)</b>	<b>273,827</b>

1. The adjustment to appropriations includes Section 74 receipts and Section 75 transfers. This adjustment has not been amended to include the Section 51 quarantine of \$92.0 million (operating) and \$54.7 million (equity).

**2024**  
**\$'000**

**Note 3.1B: Unspent annual appropriations ('recoverable GST exclusive')**

Appropriation Act (No.1) 2023-24 <sup>1</sup>	<b>208,134</b>
Appropriation Act (No.2) 2023-24 <sup>1</sup>	<b>62,759</b>
Appropriation Act (No.1) 2023-24 - Departmental Capital Budget	-
<b>Total</b>	<b>270,893</b>
Cash and cash equivalents	<b>2,934</b>
<b>Total unspent annual appropriations</b>	<b>273,827</b>

1. Unspent annual appropriation includes amount quarantined under Section 51 of \$92.0 million under PGPA Act (Appropriation Act (No.3) 2023-24) and \$54.7 million (Appropriation Act (No. 4) 2023-24).

**3.2: Net Cash Appropriation Arrangements**

	Notes	2024 \$'000
<b>Note 3.2A: Net cash appropriation arrangements</b>		
<b>Total comprehensive income/(loss) - per Statement of Comprehensive Income</b>		<b>26,593</b>
Plus: depreciation and amortisation of assets funded through appropriations		-
Plus: depreciation of right-of-use assets		10,299
Less: lease principal repayments		(10,911)
<b>Net cash operating surplus/(deficit)</b>		<b>25,981</b>

**Australian Submarine Agency**  
**NOTES TO AND FORMING THE FINANCIAL STATEMENTS**  
*For the period ended 30 June 2024*

**4. People and Relationships**

**4.1: Key Management Personnel Remuneration**

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the ASA, directly or indirectly. The following are considered to be the KMP of the ASA:

- Minister for Defence
- Director-General
- Deputy Director General Program and Policy
- Deputy Director General Technical
- Chief Operating Officer

The KMP remuneration (including the remuneration for the Director-General) for the period is shown below:

	2024
	\$'000
Short-term employee benefits	1,580
Post-employment benefits	262
Long-term benefits	33
<b>Total key management personnel remuneration expenses</b>	<b>1,875</b>

The above KMP remuneration excludes the remuneration and other benefits of the Minister for Defence. The remuneration and other benefits of the Minister is not paid by the ASA.

The Director-General's remuneration, as a member of the Australian Defence Force, is paid by Defence and recognised by the ASA as a KMP in the table above.

The total number of KMP in the above table is four (4).

**4.2: Related Party Disclosures**

**Related party relationships:**

The ASA is an Australian Government controlled entity. Related parties to the ASA are:

- Key management personnel (KMP) (as detailed in Note 4.1);
- Spouse or domestic partner (also known as de facto partner) of a KMP;
- Children or dependents of a KMP, their spouse or domestic partner;
- Entities, individually or jointly controlled by the above individuals;
- Cabinet Ministers; and
- Other Australian Government Entities.

**Transactions with related parties:**

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions are not separately disclosed in this note.

No transactions with related parties requiring disclosure occurred during the financial year (comparative: Nil).



**Australian Submarine Agency**  
**NOTES TO AND FORMING THE FINANCIAL STATEMENTS**  
*For the period ended 30 June 2024*

**5. Managing Uncertainties**

**5.1: Contingent Assets and Liabilities**

**Quantifiable Contingencies**

As at 30 June 2024 there were nil quantifiable contingent assets or liabilities.

**Unquantifiable Contingencies**

As at 30 June 2024 there were nil unquantifiable contingent assets or liabilities.

**Accounting Policy**

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed in the relevant notes. They may arise from uncertainty as to the existence of a asset or liability, or represent an existing asset or liability in respect of which settlement is not probable or the amount cannot be reliably measured.

Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**5.2: Financial Instruments**

	Notes	2024 \$'000
<b>Note 5.2A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents	2.1A	2,934
Trade and other receivables	2.1B	1,666
<b>Total financial assets at amortised cost</b>		<b>4,600</b>
<b>Carrying amount of financial assets</b>		<b>4,600</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost:</b>		
Supplier payables		67,277
Employee payables	2.3A	2,115
Other payables		117
<b>Total financial liabilities measured at amortised cost</b>		<b>69,509</b>
<b>Carrying amount of financial liabilities</b>		<b>69,509</b>

**Accounting Policy**

**Financial Assets**

Financial assets are recognised when the ASA becomes a party to the contract and, as a consequence, has a legal right or obligation to receive cash. The financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

The ASA classifies its financial assets using the approach outlined in *AASB 9 Financial Instruments* depending on both the ASA's business model for managing the financial assets and the contractual cash flow characteristics at the time of initial recognition.

All financial assets of the ASA are measured at amortised cost using the effective interest method. Financial assets included in this category need to meet two criteria:

1. The financial asset is held in order to collect the contractual cash flows.
2. The cash flows are solely payments of principal and interest on the principal outstanding amount.

The effective interest method calculates the amortised cost of a financial asset and allocates interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

## Australian Submarine Agency NOTES TO AND FORMING THE FINANCIAL STATEMENTS

For the period ended 30 June 2024

Financial assets are assessed for impairment at the end of each reporting period using an expected credit loss approach. The carrying amount is reduced by way of an allowance account and the loss is recognised in the Statement of Comprehensive Income.

### Financial Liabilities

Financial liabilities are recognised on trade date and measured at amortised cost. Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or has expired.

Financial liabilities at amortised cost, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

The ASA's supplier and other payables are generally payable within the short term and are recognised at the amount of cash or cash equivalents required to settle the liability. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

2024  
\$'000

### Note 5.2B: Net gains or losses on financial assets

#### Financial assets at amortised cost

Exchange gain	(32)
Exchange loss	89
<b>Net (loss)/gain on financial assets</b>	<b>57</b>

## 6. Other Information

### 6.1: Current/Non-Current Distinction for Assets and Liabilities

#### Assets expected to be recovered in:

##### No more than 12 months

Cash and cash equivalents	2,934
Trade and other receivables	2,365
Appropriation receivables	124,219
Prepayments	28,039
<b>Total no more than 12 months</b>	<b>157,557</b>

##### More than 12 months

Buildings (including right-of-use)	122,691
Leasehold improvements	1,237
<b>Total more than 12 months</b>	<b>123,928</b>
<b>Total assets</b>	<b>281,485</b>

#### Liabilities expected to be settled in:

##### No more than 12 months

Supplier payables	67,277
Employee payables	2,115
Other payables	1,845
Employee provisions	5,948
Lease liabilities	5,949
<b>Total no more than 12 months</b>	<b>83,134</b>

##### More than 12 months

Employee provisions	15,274
Lease liabilities	121,467
<b>Total more than 12 months</b>	<b>136,741</b>
<b>Total liabilities</b>	<b>219,875</b>

**Australian Submarine Agency**  
**NOTES TO AND FORMING THE FINANCIAL STATEMENTS**

*For the period ended 30 June 2024*

**7. Budget Variance Reporting**

**STATEMENT OF COMPREHENSIVE INCOME**

Expenses

Supplier expenses were lower than budget, primarily relating to timing of on-boarding of contractors and lower than anticipated procurement activities across the Agency's first year of operations.

Employee benefits were lower than budget due to the timing of on-boarding of new employees, which occurred in the latter half of the financial year.

Depreciation and finance costs exceeded the budget due to the Shared Service Arrangement with Defence, which includes building lease arrangements, for which final costings were not complete until the latter half of the financial year and actual costs exceeding the budgeted amount.

Resources received free of charge were unbudgeted at the time of establishment of the Agency, and were not recognised until later in the financial year.

Revenue

Revenue was lower than budgeted due to transfer of appropriation to Defence.

**STATEMENT OF FINANCIAL POSITION**

Appropriation Receivables balance higher than budgeted due to the underspend in supplier expenses and employee benefits.

Buildings and lease liabilities exceeded the budget due to the Shared Service Arrangement with Defence, which includes building lease arrangements, for which final costings were not complete until the latter half of the financial year and actual costs exceeding the budgeted amount.

Prepayments balance is higher than budgeted. The balance will be amortised as goods and services are received under this arrangement.

# Australian Nuclear-Powered Submarine Program timeline



**2021** – The Australian Government announced that Australia would acquire conventionally-armed, nuclear-powered submarines under the AUKUS partnership.

**2023** – The Optimal Pathway was announced in San Diego by Prime Minister Albanese with US President Biden and UK Prime Minister Sunak. The Australian Submarine Agency was established to deliver the Optimal Pathway.

**From 2026** – UK conventionally-armed, nuclear-powered submarines will make more frequent visits to Australia.

## 2020

**2021** – The Nuclear-Powered Submarine Taskforce was established to determine the Optimal Pathway towards Australia's acquisition of conventionally-armed, nuclear-powered submarines.

**From 2023** – Design and construction of the new submarine construction yard at Osborne commenced.

US conventionally-armed, nuclear-powered submarines will make more frequent visits to Australia.

**From 2026** – The Collins Class Life of Type (LOTE) extension will keep Collins Class submarines operational into the 2040s.



Construction at Osborne will begin on the new class of conventionally-armed, nuclear-powered submarines, SSN-AUKUS.

**From 2027** – One UK Astute class submarine and up to four US Virginia class submarines will have a rotational presence at HMAS *Stirling* as part of Submarine Rotational Force-West (SRF-West).

**Late 2030s** – The UK will deliver its first new SSN-AUKUS.

2030

2040

2050

**Early 2030s** – Australia will acquire at least three Virginia class submarines from the US. Maintenance and control of these submarines will be a sovereign Australian capability.

**Early 2040s** – Australia will deliver its first new SSN-AUKUS.

# Appendix B: Expenses by outcome

**Outcome:** The ASA will safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia’s conventionally-armed, nuclear-powered submarine capability, via the AUKUS partnership.

**Table 18:** Expenses for the Outcome during reporting period 2023–24

	Estimated actuals <sup>1</sup> \$'000	Actual result \$'000	Variance \$'000	Variance %
<b>Program 1.1: Nuclear-Powered Submarines</b>				
<b>Net cash expenditure</b>				
<b>Expenses funded by appropriation and own source revenue</b>				
Employees	86,563	67,515	(19,048)	-22
Suppliers	148,771	125,600	(23,171)	-16
Other expenses <sup>2</sup>	–	5,393	5,393	–
<b>Total expenses funded by appropriation and own source revenue (A)</b>	<b>235,334</b>	<b>198,508</b>	<b>(36,826)</b>	<b>-16</b>
<b>Expenses not requiring appropriation</b>				
Resources received free of charge <sup>3</sup>	–	13,120	13,120	–
Depreciation and amortisation	202	10,299	10,097	4,999
Net write-down and net impairment of assets	–	–	–	–
<b>Total expenses not requiring appropriation (B)</b>	<b>202</b>	<b>23,419</b>	<b>23,217</b>	<b>11,494</b>
<b>Total operating expenses (A + B)</b>	<b>235,536</b>	<b>221,927</b>	<b>(13,609)</b>	<b>-6</b>
Purchases of non-financial assets	8,085	134,227	126,142	1,560
Principal repayments of lease liabilities	–	10,911	10,911	–
<b>Total capital expenditure (D)</b>	<b>8,085</b>	<b>145,138</b>	<b>137,053</b>	<b>1,695</b>
<b>Total funded expenditure for Program 1.1 (A + D)</b>	<b>243,419</b>	<b>343,645</b>	<b>100,226</b>	<b>41</b>

	Estimated Actual 2023–24	Actual result 2023–24
Average staffing level (number)	478	378

**Notes:**

- <sup>1</sup> As published in the Portfolio Budget Statements 2024–25.
- <sup>2</sup> Other expenses include net foreign exchange losses and finance costs.
- <sup>3</sup> Resources received free of charge includes ADF salaries, corporate support services and auditor fees.

## Appendix C: Workforce statistics

**Table 19:** All ongoing Australian Public Service employees by location and gender, 2023–24

	Man/Male			Woman/Female			Non-binary <sup>1</sup>			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	3	–	3	2	–	2	–	–	–	5
Qld	–	–	–	1	–	1	–	–	–	1
SA	30	1	31	36	2	38	–	–	–	72
Tas	–	–	–	2	–	2	–	–	–	2
Vic	17	–	17	9	2	11	–	–	–	31
WA	1	–	1	3	1	4	–	–	–	7
ACT	177	–	177	182	13	–	–	–	–	386
NT	–	–	–	–	–	–	–	–	–	–
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	9	–	9	14	–	14	–	–	–	23
<b>Total</b>	<b>237</b>	<b>1</b>	<b>238</b>	<b>249</b>	<b>18</b>	<b>267</b>	<b>21</b>	<b>1</b>	<b>22</b>	<b>527</b>

**Note:**

<sup>1</sup> To avoid unintentional identification, employees have not been disaggregated in this table's row data.

**Table 20:** All non-ongoing Australian Public Service employees by location and gender, 2023–24

	Man/Male			Woman/Female			Non-binary <sup>1</sup>			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	–	–	–	–	–	–	–	–	–	–
Qld	–	–	–	–	–	–	–	–	–	–
SA	2	–	2	–	–	–	–	–	–	3
Tas	–	–	–	–	–	–	–	–	–	–
Vic	–	1	1	–	–	–	–	–	–	1
WA	2	–	2	–	–	–	–	–	–	2
ACT	6	–	6	4	–	4	–	–	–	10
NT	–	–	–	–	–	–	–	–	–	–
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	1	–	1	–	–	–	1
<b>Total</b>	<b>10</b>	<b>1</b>	<b>11</b>	<b>5</b>	<b>–</b>	<b>5</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>17</b>

**Note:**

<sup>1</sup> To avoid unintentional identification, employees have not been disaggregated in this table's row data.



**Table 21:** Ongoing employees by classification and gender, 2023–24

	Man/Male			Woman/Female			Non-binary <sup>1</sup>			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	–	1	–	–	–	–	–	–	1
SES 2	1	–	1	5	–	5	–	–	–	6
SES 1	14	–	14	11	–	11	–	–	–	25
EL 2	57	–	57	51	1	52	–	–	–	114
EL 1	60	–	60	78	10	88	–	–	–	153
APS 6	36	1	37	47	6	53	–	–	–	93
APS 5	33	–	33	31	1	32	–	–	–	70
APS 4	21	–	21	22	–	22	–	–	–	46
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	14	–	14	4	–	4	–	–	–	19
Other	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>237</b>	<b>1</b>	<b>238</b>	<b>249</b>	<b>18</b>	<b>267</b>	<b>21</b>	<b>1</b>	<b>22</b>	<b>527</b>

**Note:**

<sup>1</sup> To avoid unintentional identification, employees have not been disaggregated in this table’s row data.

**Table 22:** Non-ongoing employees by classification and gender, 2023–24

	Man/Male			Woman/Female			Non-binary <sup>1</sup>			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	–	1	–	–	–	–	–	–	1
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	1	–	1	1	–	1	–	–	–	2
EL 2	3	1	4	–	–	–	–	–	–	4
EL 1	1	–	1	1	–	1	–	–	–	3
APS 6	2	–	2	1	–	1	–	–	–	3
APS 5	2	–	2	2	–	2	–	–	–	4
APS 4	–	–	–	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>10</b>	<b>1</b>	<b>11</b>	<b>5</b>	<b>–</b>	<b>5</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>17</b>

**Note:**

<sup>1</sup> To avoid unintentional identification, employees have not been disaggregated in this table's row data.

**Table 23:** Key management personnel

Name	Position title	Short-term benefits			Post employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	(Superannuation contributions)	Long service leave	Other long-term benefits	(Termination benefits)	(Total remuneration)
VADM Jonathan Mead	Director-General ASA <sup>1</sup>	\$626,374		\$36,120	\$145,630	\$13,265			\$821,389
David Hallinan (ongoing)	Deputy Director-General – Program and Policy	\$303,908			\$49,982	\$7,885			\$361,775
Tim Hodgson (non-ongoing)	Deputy Director-General – Technical	\$302,975		\$2,306	\$12,163	\$3,405			\$320,849
Megan Lees (ongoing)	Chief Operating Officer	\$308,120		\$523	\$54,266	\$8,437			\$371,346

**Note:**

<sup>1</sup> The Director-General’s remuneration, as a member of the Australian Defence Force, is paid by Defence.

**Table 24:** APS employment salary ranges by classification level 2023–24

Classification	Minimum Salary	Maximum Salary	Individual Arrangements
<b>Senior Executive Service salary arrangements</b>			
SES 3	298,258	349,918	619,486
SES 2	243,720	288,685	364,208
SES 1	203,843	234,851	279,583
<b>Non-Senior Executive Service salary arrangement<sup>1</sup></b>			
	Minimum Salary	Maximum Salary	Special Pay Points
EL 2	134,567	161,521	216,247 <sup>2</sup>
EL 1	115,899	130,733	141,923 <sup>3</sup>
APS 6	91,702	104,753	112,431 <sup>4</sup>
APS 5	83,706	89,659	–
APS 4	76,277	83,274	–
APS 3	67,339	74,197	–
APS 2	59,117	66,459	–
APS 1	52,236	58,637	–
Other	–	–	–

**Notes:**

- <sup>1</sup> Salary ranges provided under the *Australian Submarine Agency Enterprise Agreement 2024–2027*.
- <sup>2</sup> Maximum rate for Executive Level 2.1, Executive Level 2.2, Legal and Science specialist structures.
- <sup>3</sup> Maximum rate for Legal specialist structures.
- <sup>4</sup> Maximum rate for Legal specialist structures.

**Table 25:** Employment arrangement 2023–24

	SES <sup>1</sup>	Non-SES	Total
Enterprise Agreement	–	509	–
Section 24(1) Public Service Act Determination	35	–	–
<b>Total</b>	<b>35</b>	<b>509</b>	<b>544</b>

**Note:**

- <sup>1</sup> The figure of 35 includes SES employees on long-term leave.



**Table 26:** Remuneration for Senior Executives, 2023–24

Total remuneration bands	Number of senior executives <sup>1</sup>	Short-term benefits			Post employment benefits	Other long-term benefits		Termination benefits	Total remuneration <sup>4</sup>
		Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances <sup>2</sup> (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits <sup>3</sup> (\$)	Average termination benefits (\$)	Average total remuneration (\$)
\$0 - \$220,000	11	87,249	484	4,245	16,631	2,409	–	–	111,018
\$220,001 - \$245,000	2	171,542	–	9,733	39,365	4,835	–	–	225,474
\$245,001 - \$270,000	7	216,628	1,268	1,107	30,544	5,843	–	–	255,390
\$270,001 - \$295,000	7	236,326	–	4,202	39,573	5,441	–	–	285,541
\$295,001 - \$320,000	6	239,126	–	25,687	36,188	6,105	–	–	307,105
\$320,001 - \$345,000	2	187,625	–	102,513	42,192	5,370	–	–	337,700
\$345,001 - \$370,000	4	284,586	–	14,510	41,807	6,688	–	–	347,591
\$370,001 - \$395,000	2	233,397	–	75,211	60,231	6,409	–	–	375,247
\$395,001 - \$420,000	3	286,138	–	46,845	65,105	6,856	–	–	404,945
\$420,001 - \$445,000	2	310,718	–	51,095	71,736	8,621	–	–	442,169
\$595,001 - \$620,000	1	255,243	–	268,200	80,286	7,045	–	–	610,774

**Notes:**

- <sup>1</sup> The number of senior executives listed above is the number of individual SES not the number of SES positions. Staff who were permanently appointed to an SES-level position are included in this table as well as staff who acted in an SES-level position for a period longer than six months.
- <sup>2</sup> Other short-term benefits and allowances include accommodation, overseas living and motor vehicle allowances as well as any fringe benefits tax (FBT) paid on behalf of senior executives.
- <sup>3</sup> In accordance with APSC Guidelines, SES staff may be eligible to a termination payment under an incentive to retire package. The amount of the payment is based on the period of service and is an amount of two weeks' pay per year of service, to a maximum of 48 weeks.
- <sup>4</sup> Included within this table is the remuneration of 11 members of the ADF who are administratively posted to the ASA and recognised as resources free of charge in the ASA's financial statements. The total remuneration paid by Defence for these senior executives is \$4 million.

**Table 27:** Remuneration for other highly paid staff, 2023–24

Remuneration band	Number of highly paid APS staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration <sup>3</sup>
		Average base salary (\$)	Average bonuses (\$)	Other (\$) <sup>1</sup>	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits <sup>2</sup> (\$)	Average total remuneration (\$)
\$250,000 - \$270,000	7	167,615	1,019	46,922	43,027	4,433	–	–	263,016
\$270,001 - \$295,000	5	182,025	1,324	45,191	48,205	4,472	–	–	281,218
\$295,001 - \$320,000	5	193,830	–	48,381	63,580	4,651	–	–	310,441
\$320,001 - \$345,000	5	222,884	1,604	42,457	55,906	5,508	–	–	328,358
\$345,001 - \$370,000	3	200,939	994	97,869	54,157	5,446	–	–	359,405
\$370,001 - \$395,000	1	198,392	–	126,366	64,515	5,121	–	–	394,394
\$395,001 - \$420,000	2	214,438	–	123,705	67,758	5,283	–	–	411,185
\$445,001 - \$470,000	2	206,504	–	176,090	64,158	5,370	–	–	452,123
\$470,001 - \$495,000	1	205,328	–	198,314	64,459	5,121	–	–	473,222
\$520,001 - \$545,000	1	236,134	–	223,317	74,148	5,979	–	–	539,577

**Notes:**

- <sup>1</sup> Other short-term benefits and allowances include accommodation, overseas living and motor vehicle allowances as well as any FBT paid on behalf of senior executives.
- <sup>2</sup> In accordance with APSC Guidelines, APS staff may be eligible to a termination payment. The amount of the payment is based on the period of service and is an amount of two weeks' pay per year of service, to a maximum of 48 weeks.
- <sup>3</sup> Included within this table is the remuneration of 24 members of the ADF who are administratively posted to the ASA and recognised as resources free of charge in the ASA's financial statements. The total remuneration paid by Defence for these senior executives is \$8.3 million.

**Table 28:** Employees by full time and part time status, 2023–24

	Ongoing			Non-Ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	–	1	1	–	1	2
SES 2	6	–	6	–	–	–	6
SES 1	25	–	25	2	–	2	27
EL 2	113	1	114	3	1	4	118
EL 1	142	11	153	3	–	3	156
APS 6	86	7	93	3	–	3	96
APS 5	69	1	70	4	–	4	74
APS 4	46	–	46	–	–	–	46
APS 3	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–
APS 1	19	–	19	–	–	–	19
Other	–	–	–	–	–	–	–
<b>Total</b>	<b>507</b>	<b>20</b>	<b>527</b>	<b>16</b>	<b>1</b>	<b>17</b>	<b>544</b>

**Table 29:** Employment type by location, 2023–24

	Ongoing	Non-Ongoing	Total
NSW	5	–	5
Qld	1	–	1
SA	72	3	75
Tas	2	–	2
Vic	31	1	32
WA	7	2	9
ACT	386	10	396
NT	–	–	–
External Territories	–	–	–
Overseas	23	1	24
<b>Total</b>	<b>527</b>	<b>17</b>	<b>544</b>

**Table 30:** Indigenous employment, 2023–24

	Total
Ongoing	5
Non-Ongoing	–
<b>Total</b>	<b>5</b>

# Appendix D: Other mandatory information

## Advertising

The ASA did not conduct any advertising campaigns during the 2023–24 reporting period.

## Grants

The ASA did not award any grants during the 2023–24 reporting period.

## External legal fees

External legal service expenses during 2023–24 were \$1.8 million (GST exclusive). These expenses include professional fees, disbursements and legal assistance.

## Information Publication Scheme

Entities subject to the FOI Act are required to publish information as part of the Information Publication Scheme. Each agency must display on its website details showing what information it publishes in accordance with the Information Publication Scheme.

Further information on ASA reportable information is available at [asa.gov.au/about](https://asa.gov.au/about).

# Appendix E: Supplementary online material

**Table 31:** Additional online material

Reference	Website
2024 Defence Integrated Investment Program	<a href="https://defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program">defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program</a>
Defence Portfolio Budget Statements 2023–24	<a href="https://defence.gov.au/about/accessing-information/budgets/budget-2023-24">defence.gov.au/about/accessing-information/budgets/budget-2023-24</a>
Defence Additional Estimates Statements 2023–24	<a href="https://defence.gov.au/about/accessing-information/budgets/budget-2023-24">defence.gov.au/about/accessing-information/budgets/budget-2023-24</a>
National Defence: Defence Strategic Review, 2023	<a href="https://defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program">defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program</a>
2024 National Defence Strategy	<a href="https://www.defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program">https://www.defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program</a>
The Optimal Pathway	<a href="https://www.asa.gov.au/aucus/optimal-pathway">https://www.asa.gov.au/aucus/optimal-pathway</a>



**Table 32:** Reference websites and supporting documentation

Reference	Website
AusTender	<a href="https://tenders.gov.au">tenders.gov.au</a>
Australian National Audit Office	<a href="https://anao.gov.au">anao.gov.au</a>
Australian Public Service Commission	<a href="https://apsc.gov.au">apsc.gov.au</a>
ASA Annual Reports	<a href="https://asa.gov.au/about/planning-reporting">asa.gov.au/about/planning-reporting</a>
ASA Audit and Risk Committee Charter	<a href="https://asa.gov.au/about/planning-reporting">asa.gov.au/about/planning-reporting</a>
ASA Corporate Plan 2023–27	<a href="https://asa.gov.au/about/planning-reporting">asa.gov.au/about/planning-reporting</a>
ASA’s Information Publication Scheme	<a href="https://asa.gov.au/about">asa.gov.au/about</a>
ASA Organisational Structure	<a href="https://asa.gov.au/about/leadership">asa.gov.au/about/leadership</a>
ASA Projects	<a href="https://asa.gov.au/projects">asa.gov.au/projects</a>
ComCare	<a href="https://comcare.gov.au">comcare.gov.au</a>
Department of Finance	<a href="https://finance.gov.au">finance.gov.au</a>
Disability Gateway	<a href="https://disabilitygateway.gov.au/ads">disabilitygateway.gov.au/ads</a>
Diversity Council of Australia	<a href="https://dca.org.au">dca.org.au</a>
GrantConnect	<a href="https://grants.gov.au">grants.gov.au</a>
Inspector-General of the Australian Defence Force	<a href="https://igadf.gov.au/publications">igadf.gov.au/publications</a>
National Indigenous Australians Agency (Indigenous procurement)	<a href="https://niaa.gov.au">niaa.gov.au</a>
Parliament of Australia	<a href="https://aph.gov.au">aph.gov.au</a>
Pride in Diversity	<a href="https://prideinclusionprograms.com.au/about-pid">prideinclusionprograms.com.au/about-pid</a>
Transparency Portal	<a href="https://transparency.gov.au">transparency.gov.au</a>

# Appendix F: Glossary of abbreviations and acronyms

ADF	Australian Defence Force
AGD	Attorney-General's Department
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
ANI	Australian Naval Infrastructure
APS	Australian Public Service
ARPANSA	Australian Radiation Protection and Nuclear Safety Agency
ASA	Australian Submarine Agency
ASNO	Australian Safeguards and Non-Proliferation Office
ATA Plan	Australian Technical Authority Plan
AUKUS	Australia, the United Kingdom, and the United States
AUSTRAC	Australian Transaction Reports and Analysis Centre
AVM	Air Vice Marshal
CALD	Culturally and Linguistically Diverse
CPRs	Commonwealth Procurement Rules
Defence	Department of Defence
DFAT	Department of Foreign Affairs and Trade
DIVQ	Defence Industry Vendor Qualification
FOI Act	<i>Freedom of Information Act 1982</i>
GST	Goods and Services Tax
HMAS	His Majesty's Australian Ship
IAEA	International Atomic Energy Agency
Libraries	ASA Performance Measure Libraries
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual
MP	Member of Parliament
OSCY	Osborne Submarine Construction Yard
PFADS	Performance Feedback Assessment and Development Scheme
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014

RAN	Royal Australian Navy
SES	Senior Executive Service
SME	Small and Medium Enterprise
SRF-West	Submarine Rotational Force-West
SSN	Conventionally-armed, nuclear-powered submarine
SSN-AUKUS	Future class of submarine
STA	Skills and Training Academy
STEM	Science, Technology, Engineering and Mathematics
STMP	Submarine Tendered Maintenance Period
Taskforce	Nuclear-Powered Submarine Taskforce
UK	United Kingdom
UN	United Nations
US	United States of America
US Congress	United States Congress
VADM	Vice Admiral
WHS	Work Health and Safety

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# Appendix H: List of requirements

PGPA Rule Reference	Page	Description	Requirement
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
17AI	iv	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory
<b>17AD(h)</b>	<b>Aids to access</b>		
17AJ(a)	vii	Table of contents (print only)	Mandatory
17AJ(b)	112	Alphabetical index (print only)	Mandatory
17AJ(c)	101	Glossary of abbreviations and acronym	Mandatory
17AJ(d)	105	List of requirements	Mandatory
17AJ(e)	ii	Details of contact officer	Mandatory
17AJ(f)	ii	Entity's website address	Mandatory
17AJ(g)	ii	Electronic address of report	Mandatory
<b>17AD(a)</b>	<b>Review by accountable authority</b>		
17AD(a)	5–8	A review by the accountable authority of the entity	Mandatory
<b>17AD(b)</b>	<b>Overview of the entity</b>		
17AE(1)(a)(i)	13–20	A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)	21	A description of the organisational structure of the entity	Mandatory
17AE(1)(a)(iii)	17	A description of the outcomes and programs administered by the entity	Mandatory
17AE(1)(a)(iv)	13–14	A description of the purposes of the entity as included in corporate plan	Mandatory
17AE(1)(aa)(i)	22	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	22	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	22	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory

<b>PGPA Rule Reference</b>	<b>Page</b>	<b>Description</b>	<b>Requirement</b>
17AE(1)(b)	21	An outline of the structure of the portfolio of the entity	Portfolio departments Mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, Mandatory
<b>17AD(c)</b>	<b>Report on the Performance of the entity</b>		
	<b>Annual Performance Statements</b>		
17AD(c)(i); 16F	27	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>		
17AF(1)(a)	39	A discussion and analysis of the entity's financial performance	Mandatory
17AF(1)(b)	39	A table summarising the total resources and total payments of the entity	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, Mandatory.
<b>17AD(d)</b>	<b>Management and Accountability</b>		
	<b>Corporate Governance</b>		
17AG(2)(a)	45	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	45	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory
17AG(2)(b)(ii)	45	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory

PGPA Rule Reference	Page	Description	Requirement
17AG(2)(b) (iii)	45	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory
17AG(2)(c)	45	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory
17AG(2)(d) – (e)	65	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance	If applicable, Mandatory
<b>Audit Committee</b>			
17AG(2A)(a)	46	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory
17AG(2A)(b)	47–48	The name of each member of the entity's audit committee	Mandatory
17AG(2A)(c)	47–48	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory
17AG(2A)(d)	47–48	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory
17AG(2A)(e)	47–48	The remuneration of each member of the entity's audit committee	Mandatory
<b>External Scrutiny</b>			
17AG(3)	49	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory
17AG(3)(a)	49	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, Mandatory
17AG(3)(b)	N/A	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, Mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period	If applicable, Mandatory

PGPA Rule Reference	Page	Description	Requirement
<b>Management of Human Resources</b>			
17AG(4)(a)	49–54	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory
17AG(4)(aa)	89–92,97	(a) statistics on full time employees (b) statistics on part time employees (c) statistics on gender (d) statistics on staff location	Mandatory
17AG(4)(b)	89–92,97	Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: <ul style="list-style-type: none"> <li>• Statistics on staffing classification level;</li> <li>• Statistics on full time employees;</li> <li>• Statistics on part time employees;</li> <li>• Statistics on gender;</li> <li>• Statistics on staff location; and</li> <li>• Statistics on employees who identify as Indigenous</li> </ul>	Mandatory
17AG(4)(c)	94	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory
17AG(4)(c)(i)	94	Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	Mandatory
17AG(4)(c)(ii)	94	The salary ranges available for APS employees by classification level	Mandatory
17AG(4)(c)(iii)	53–54	A description of non salary benefits provided to employees	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments	If applicable, Mandatory

PGPA Rule Reference	Page	Description	Requirement
<b>Assets Management</b>			
17AG(5)	54	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
<b>Purchasing</b>			
17AG(6)	54–55	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory
<b>Reportable consultancy contracts</b>			
17AG(7)(a)	55	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory
17AG(7)(b)	55	A statement that <i>"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i>	Mandatory
17AG(7)(c)	54–55	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory
17AG(7)(d)	55	A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website"</i>	Mandatory
<b>Reportable non-consultancy contracts</b>			
17AG(7A)(a)	56	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory



PGPA Rule Reference	Page	Description	Requirement
17AG(7A)(b)	56	A statement that <i>“Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website”</i>	Mandatory
<b>17AD(daa)</b>	<b>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</b>		
17AGA	58	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory
<b>Australian National Audit Office Access Clauses</b>			
17AG(8)	N/A	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, Mandatory
<b>Exempt contracts</b>			
17AG(9)	57	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, Mandatory
<b>Small business</b>			
17AG(10)(a)	57	A statement that <i>“[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website”</i>	Mandatory
17AG(10)(b)	57	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory

PGPA Rule Reference	Page	Description	Requirement
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website”	If applicable, Mandatory
<b>Financial Statements</b>			
17AD(e)	65–85	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory
<b>Executive Remuneration</b>			
17AD(da)	95	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2 3 of the Rule	Mandatory
<b>17AD(f) Other Mandatory Information</b>			
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website”	If applicable, Mandatory
17AH(1)(a)(ii)	98	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website]”	If applicable, Mandatory
17AH(1)(c)	51	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory
17AH(1)(d)	98	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	ii, 34, 45, 53, 54, 57, 101	Information required by other legislation	Mandatory

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