Australian Government



Australian Naval
Nuclear Power
Safety Regulator

# Annual **Report**

# 2025–26

annpsr.gov.au

Australian Government

Australian Naval
Nuclear Power
Safety Regulator

# Annual **Report**

# 2025–26

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ANNPSR: JUN001-26

# Acknowledgment of Country

ANNPSR acknowledges the Traditional Custodians of Country throughout Australia, recognises their continuing connection to traditional lands and waters, and would like to pay respect to their Elders both past and present. We also pay our respects to the Aboriginal and Torres Strait Islander men and women who have contributed to the defence of Australia in times of peace and war.

## Contact officer

For enquiries about the Australian Naval Nuclear Power Safety Regulator's (ANNPSR) annual report, please contact:

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Australian Naval Nuclear Power Safety Regulator

PO Box 7926
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Email: enquiries@annpsr.gov.au

## Electronic address of report

The Australian Naval Nuclear Power Safety Regulator's website is annpsr.gov.au. An electronic version of our annual report, along with supplementary information may be accessed via annpsr.gov.au/corporate-information/corporate-publications. A copy is also available from the Australian Government Transparency portal transparency.gov.au.

# Letter of transmittal

Australian Government

Australian Naval Nuclear Power Safety Regulator

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

Dear Deputy Prime Minister

I am pleased to present the inaugural annual report of the Australian Naval Nuclear Power Safety Regulator (ANNPSR) for the financial year 2025-26.

ANNPSR has prepared this annual report to meet the requirements of section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which requires the entity to provide its annual report to the responsible Minister for presentation to Parliament.

This report also includes additional requirements that are specified in the enabling legislation, the *Australian Naval Nuclear Power Safety Act 2024* and Australian Naval Nuclear Power Safety Regulations 2025.

This report includes ANNPSR's audited annual financial statements as required by subsection 43(4) of the PGPA Act, and also includes the annual performance statements as required under section 39 of the PGPA Act.

In accordance with section 10, and as required by subsection 17AG(2), of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), I certify that ANNPSR has:

- prepared fraud and corruption risk assessments and a fraud and corruption control plan
- had appropriate mechanisms to prevent, detect, investigate, record and confidentially report suspected fraud and corruption
- taken all reasonable measures to appropriately deal with fraud relating to the ANNPSR.

Yours sincerely



**Mr Michael Drake**
Director-General Australian Naval Nuclear Power Safety Regulator
25 September 2026

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# 01

# Director-General's review

# Director-General's review

I am pleased to present the 2025-26 ANNPSR Annual Report, covering the period from the establishment of ANNPSR on 1 November 2025 to 30 June 2026.

The establishment of ANNPSR represented a significant milestone in Australia's nuclear regulatory framework and in the acquisition of Australia's conventionally-armed, nuclear-powered submarines. ANNPSR was created under the *Australian Naval Nuclear Power Safety Act 2024* (ANNPS Act) to provide independent oversight and regulatory assurance for activities associated with Australia's Nuclear-Powered Submarine Program (NPS Program).

In its first year of operation, ANNPSR exercised its regulatory functions while Australia continued to develop its NPS Program and the systems required to support it safely. ANNPSR worked closely with Commonwealth entities, state-based agencies, defence industry and AUKUS partners while exercising its independence and statutory responsibilities. A key priority was ensuring that regulatory requirements and expectations are clearly understood by the regulated community and that appropriate safety, security and environmental protections are embedded from the earliest stages of Australia's NPS Program.

Although ANNPSR is a newly established entity, it has achieved several milestones during the reporting period. These include:

- establishing the foundations of a deliberate nuclear safety culture within the Agency
- advancing the naval nuclear propulsion regulatory framework, inclusive of the provision of guidance material and training
- successfully issuing the first Australian Naval Nuclear Power Safety licence
- strengthening stakeholder engagement and building public confidence
- deepening collaboration with Australian and AUKUS peer regulators
- building regulatory capability through skills development and opportunities to observe regulatory activities with peer regulators in Australia and in the UK and US.

ANNPSR also focused on building the organisational capability required to perform its functions effectively into the future. Significant effort was directed to workforce growth, establishment of corporate systems and processes, and the development of governance, risk management and assurance frameworks. These initiatives have strengthened ANNPSR's capacity and laid foundations for our maturation as an independent and trusted regulator.

ANNPSR delivered its functions while maintaining sound financial management and stewardship of public resources. As a newly established entity, particular attention was given to developing internal governance frameworks and controls that support transparency, accountability and effective decision-making.

The achievements outlined in this report reflect the professionalism, expertise and dedication of ANNPSR staff and our partners across government. I thank them for their commitment in establishing a strong foundation for Australia's naval nuclear power safety regulatory framework.



**Mr Michael Drake**
Director-General
September 2026





# 02

# Overview of the Australian Naval Nuclear Power Safety Regulator

# Overview of the Australian Naval Nuclear Power Safety Regulator

ANNPSR is Australia's independent regulator for naval nuclear propulsion, established under the *Australian Naval Nuclear Power Safety Act 2024* (ANNPS Act) and executing its functions through the Australian Naval Nuclear Power Safety Regulations 2025 (ANNPS Regulations).

## Our purpose

The ANNPS Act established a new regulatory framework to ensure nuclear safety within Australia's conventionally-armed, nuclear-powered submarine (NPS) enterprise and capability lifecycle. The objects of the ANNPS Act are to:

- promote the nuclear safety of activities relating to AUKUS submarines
- promote public confidence and trust in relation to the nuclear safety of Australia's NPS enterprise
- promote the defence and interests of Australia
- support the AUKUS partnership.

ANNPSR was established on 1 November 2025 when the ANNPS Act commenced, and is key to achieving the purposes of the ANNPS Act. ANNPSR's objectives are to protect the environment and people by providing assurance for nuclear safety of Australia's NPS Program, as well as promote, monitor and enforce compliance with the ANNPS Act.

## Regulatory functions

ANNPSR executes its regulatory obligations through the following core functions:

- **Develop and maintain policy and regulation related to naval nuclear power.** ANNPSR is responsible for regulating facility, material and submarine activities that occur in a designated zone or Australian NPS.
- **Provide ongoing education internally and to the community.** Education and engagement are the core means of supporting ANNPSR promotion obligations.
- **Conduct licensing for regulated activities.** The conduct of a regulated activity requires the issue of a licence by ANNPSR.
- **Conduct ongoing monitoring and compliance activities.** ANNPSR is responsible for conducting monitoring and compliance activities to identify risks, issues and non-compliances with regulatory requirements.
- **Investigation and enforcement.** ANNPSR is responsible for investigating and taking regulatory action in response to nuclear safety matters and incidents. Execution of these functions is underpinned by key business support and legal counsel enablers.

# Organisation structure

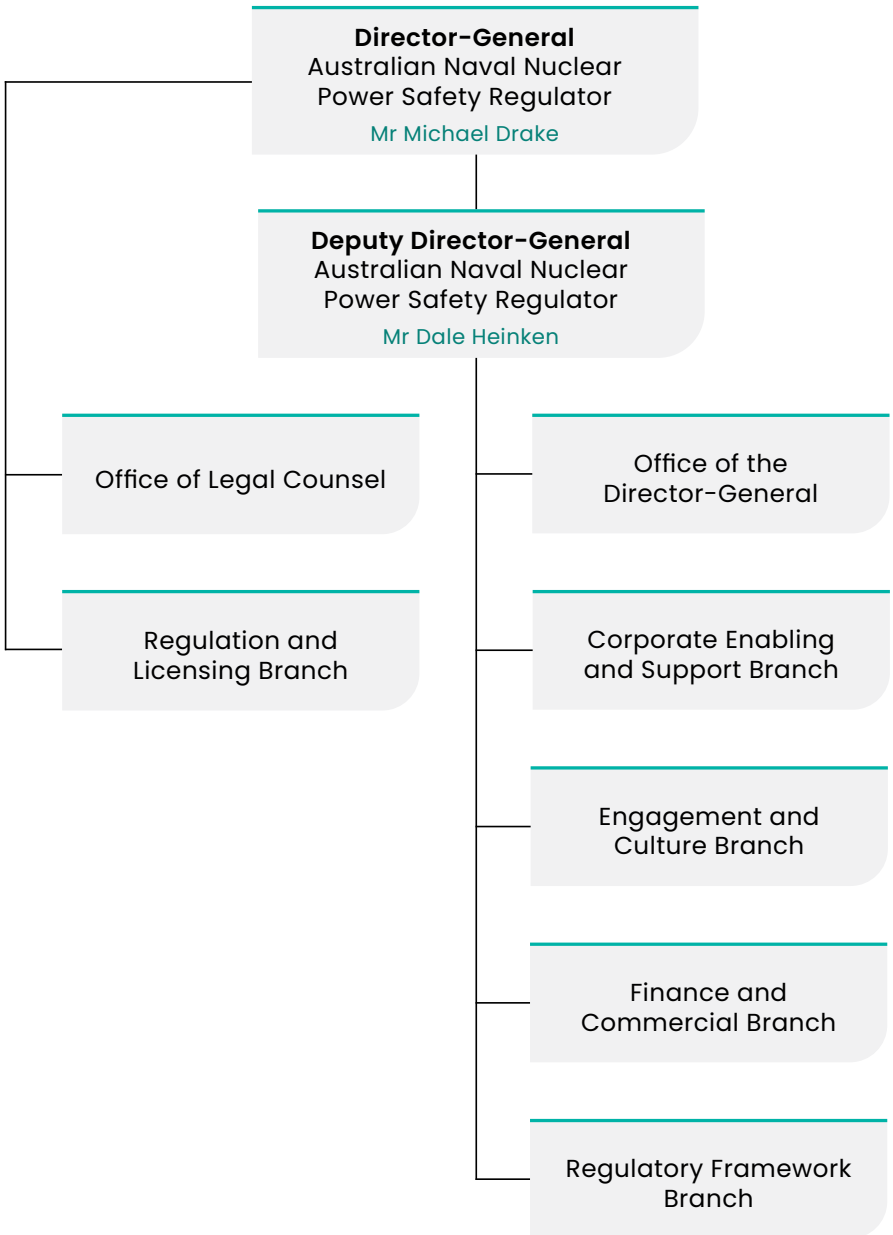



**Figure 1:** Organisational structure chart showing the Director-General at the top. Reporting directly to the Director-General are the Deputy Director-General, Office of Legal Counsel, and Regulations and Licensing Branch. Reporting to the Deputy Director-General are five branches: Office of the Director-General, Corporate Enabling and Support, Engagement and Culture, Finance and Commercial, and Regulatory Framework

## Outcomes and Commonwealth programs

Our outcome for 2025-26 is to 'Assure the protection of people and the environment, and the regulation of naval nuclear power activities across the lifecycle of Australia's conventionally-armed, nuclear-powered submarine capability'.

For 2025-26, ANNPSR had one program contributing to meeting that outcome. The program was 'Regulation of Naval Nuclear Power Activities'.

## Accountable authority

**Table 1:** Details of the accountable authority during the reporting period, 2025-26

| Name | Position held | Period as the accountable authority within the reporting period | |
|---|---|---|---|
| | | Start date | End date |
| Mr Michael Drake | Director-General | 1 November 2025 | Current |

## Responsible Minister and Portfolio

ANNPSR resides administratively within the Defence portfolio. It is a non-corporate Commonwealth entity that operates independently of the Department of Defence, the Australian Defence Force and the Australian Submarine Agency, while reporting directly to the Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP. This governance arrangement supports ANNPSR's operational autonomy and independence in regulatory decision-making.

Image of Royal Navy Astute-class submarine, HMS Anson, departs HMAS *Stirling* following the Submarine Maintenance Period in Western Australia.







# 03

# Report on the performance of the entity

# Report on the performance of the entity

## Annual performance statements

### Statements of preparation

Pursuant to section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), I present the 2025–26 Annual Performance Statement of the Australian Naval Nuclear Power Safety Regulator (ANNPSR).

In my opinion, this statement is supported by properly maintained records, provides an accurate account of the performance of ANNPSR during the reporting period, and complies with the requirements of subsection 39(2) of the PGPA Act.



**Mr Michael Drake**
Director-General ANNPSR

## Overview

ANNPSR's performance framework provides a clear line of sight between the Portfolio Budget Statements (PBS), Corporate Plan and Annual Report. The PBS outlines intended outcomes and resources, the Corporate Plan sets performance objectives and measures, and the Annual Report reports on the achievements of those outcomes, supporting accountability, transparency and effective stewardship of public resources.

## Analysis of performance

During 2025-26, ANNPSR continued to establish Australia's independent naval nuclear propulsion safety regulatory framework and develop the capability required to support the AUKUS Optimal Pathway. Of its six performance measures, ANNPSR achieved three measures and substantially achieved the remaining three. This reflects continued progress in building regulatory capability while recognising that some activities remain dependent on the maturation of the agency and broader regulatory framework.

ANNPSR progressed a range of activities to strengthen Australia's naval nuclear propulsion safety regulatory capability. Key activities included delivering education and providing operational guidance to the regulated community, monitoring the operation of licences transferred to ANNPSR on commencement of the ANNPS Act, and issuing its first licence. Stakeholder engagement targets were exceeded through ongoing cooperation with AUKUS partners. Workforce development programs, international placements, audits and performance measurement activities contributed to capability development and organisational readiness.

ANNPSR's performance during 2025–26 reflects continued development of its regulatory functions and organisational capability. Performance was enabled by strong international partnerships, effective governance arrangements, targeted training, and investment in regulatory systems and processes. Some measures were not fully achieved because of the onboarding of new staff, upskilling and emergent requirements during the first year of agency operation. Notwithstanding these factors, ANNPSR continued to strengthen its regulatory capability and its capacity to perform its role in supporting nuclear safety assurance across Australia's NPS enterprise.

These performance measures are consistent with Resource Management Guide (RMG) 128 (Regulator Performance) by assessing the effectiveness, efficiency, and impact of our regulatory functions. They support accountability and continuous improvement in the administration and oversight of regulatory activities.

## Results

The performance measures and targets in ANNPSR's Corporate Plan assess how well ANNPSR delivers its key activities. They align with our objectives to protect the environment and people by providing assurance for nuclear safety of Australia's NPS Program, as well as promote, monitor and enforce compliance with the ANNPS Act.

Our key activities represent significant programs of work to meet our purposes as we mature and the scope of regulated activities increases. As such, we anticipate evolution of our performance measures in future reporting.

ANNPSR's performance measures are assessed using a four-tier rating system:

- **Achieved** – the performance measure met or exceeded the target in full
- **Substantially Achieved** – the performance measure was largely achieved, with only minor gaps between the result and the target that did not materially affect the intended outcome
- **Partially Achieved** – some progress was made towards the performance measure, but significant elements of the target were not met
- **Not Achieved** – the performance measure was not met, or little to no progress was made towards the intended outcome.

Ratings were assigned based on available evidence and performance data, providing a consistent assessment of results. A Substantially Achieved rating reflects strong overall performance against the measure, with only limited aspects of the target remaining outstanding. In contrast, an Achieved rating requires all aspects of the target to be met within the reporting period.

# Key activity 1

Develop and maintain a healthy nuclear safety culture within the Regulator.

**Table 2:** Performance measure 1 outcome and analysis, 2025–26

| **Performance measure 1 – Substantially Achieved**<br>ANNPSR successfully develops an intentional safety culture | |
|---|---|
| **Target** | **2025–26 result** |
| Intentional nuclear safety culture activities are executed against the agreed implementation plan. | Substantially Achieved |

ANNPSR substantially achieved this performance measure.

During the reporting period, five key nuclear safety culture activities were delivered, and one was progressed in line with planned milestones. This included completion of targeted staff training and advancement of the nuclear safety culture program. ANNPSR also progressed three key nuclear safety culture activities focused on the assessment and monitoring of safety culture. Collectively, these activities have established a strong foundation of nuclear safety expectations, strengthened alignment of behaviours with the naval nuclear propulsion community, and progressed the development of mechanisms to monitor and continuously improve organisational culture. These achievements support Regulator Performance Principle 1 in accordance with RMG 128, by strengthening organisational capability through delivery of structured nuclear safety culture initiatives. This reflects a systematic approach to continuous improvement, while contributing to enhanced trust and confidence in ANNPSR's regulatory practice.

ANNPSR substantially achieved this measure as most planned nuclear safety culture activities were delivered; however, several initiatives remained in progress and were not fully implemented during the reporting period. Further maturation of safety culture monitoring mechanisms will occur to demonstrate ongoing effectiveness.

# Key activity 2

Develop, support and maintain a regulatory framework, and provide operational guidance.

**Table 3:** Performance measure 2 outcome and analysis, 2025–26

| **Performance measure 2 – Substantially Achieved**<br>ANNPSR successfully develops the naval nuclear propulsion safety regulatory framework | |
|---|---|
| **Target** | **2025–26 result** |
| Regulatory material development against the planned program is achieved. | Substantially Achieved |

ANNPSR substantially achieved this performance measure.

Significant progress was made in developing regulatory materials, though elements of the planned program remained under development at 30 June 2026. The development and issuing of regulatory guidance to the regulated community and the public strengthened the foundations necessary to regulate the NPS Program safely, and effectively and supported the consistent interpretation and application of regulatory requirements across the NPS enterprise.

Throughout the reporting period, ANNPSR also advanced its mission through ongoing regulatory engagement with AUKUS peer regulators, Commonwealth agencies, industry stakeholders and the regulated community. These activities promoted a shared understanding of nuclear safety requirements, strengthened confidence in Australia's emerging naval nuclear power safety regime, and will support the development and continuous improvement of the regulatory framework. Collectively, these activities demonstrate ANNPSR's achievement in developing regulatory material as planned, while maintaining public confidence and delivering independent nuclear safety assurance.

# Key activity 3

Conduct effective regulatory action.

**Table 4:** Performance measure 3 outcome and analysis, 2025–26

| **Performance measure 3 – Achieved**<br>Conduct effective regulatory action | |
|---|---|
| **Target** | **2025–26 result** |
| **1.** 90 percent of licence applications processed in accordance with established timeframes. | Achieved |
| **2.** 90 percent of planned inspections and audits completed in accordance with relevant regulatory oversight plans and annual inspection plans. | Unable to Report |

ANNPSR achieved all assessable targets for this performance measure.

During the reporting period, ANNPSR received one licence application from Australian Naval Infrastructure Pty Ltd in December 2025, and issued a licence in June 2026 to prepare a site for a naval nuclear propulsion facility, namely a facility for constructing an AUKUS submarine, in the Osborne designated zone. The licence was issued within the timeframe agreed with the licence applicant. Inspections and audits of this licence will commence in 2026–27.

Upon commencement of the ANNPS Act on 1 November 2025, ANNPSR received three licences transferred from the existing regulator, the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) for facility activities at HMAS *Stirling* in Western Australia. These licences were consolidated into a single ANNPS licence in 2026 following consultation with the licence holder, and regulatory oversight activities are scheduled to commence from 2026–27. As a result, no inspections or audits were planned or conducted during 2025–26.

Accordingly, no data was available to assess performance against Target 3.2, and the target has been assessed as ‘Unable to Report’.

# Key activity 4

Promote public confidence and trust in the Regulator.

**Table 5:** Performance measure 4 outcome and analysis, 2025–26

| **Performance measure 4 – Achieved**<br>Promote public confidence and trust in the regulator through public consultation and engagement | |
|---|---|
| **Target** | **2025–26 result** |
| **1.** 90 percent of public enquiries (excluding freedom of information requests) received and responded to within 20 working days. | Achieved |
| **2.** Conduct at least 20 engagement activities with relevant stakeholders per annum. | Achieved |

ANNPSR achieved this performance measure.

All 19 public enquiries received during the reporting period were responded to within 20 working days. Enquiries were managed in line with a formalised process, with timeliness and status tracked, and reported for executive oversight. The most common enquiry topics related to recruitment and licensing. Effective enquiry management provided valuable insights into public information needs.

ANNPSR maintained regular and sustained engagement with senior stakeholders throughout the reporting period, including local government, the regulated community and defence industry. These engagement activities strengthened relationships, informed regulatory priorities and supported the effective delivery of ANNPSR's functions. Engagement records provide clear assurance that engagement activity exceeded the performance target. Across the agency, engagement activities were undertaken by senior leaders and Engagement Team, reflecting a coordinated and sustained commitment to stakeholder engagement and effective regulatory stewardship.

# Key activity 5

Support the AUKUS partnership.

**Table 6:** Performance measure 5 outcome and analysis, 2025–26

| **Performance measure 5 – Achieved**<br>Support the AUKUS partnership by assuring nuclear safety aligned with the Optimal Pathway | |
|---|---|
| **Target** | **2025–26 result** |
| **1.** AUKUS peer regulators are regularly engaged. | Achieved |
| **2.** ANNPSR regulatory capability is aligned with NPS Program activities. | Achieved |
| **3.** Observing visits of US and UK SSNs. | Achieved |

ANNPSR achieved this performance measure.

ANNPSR maintained regular engagement with AUKUS peer regulators through scheduled meetings, bilateral forums (virtual and in-person), information sharing activities, and reciprocal visits between Australia, the UK and the US. These engagements enable ANNPSR to benchmark its vision, mission, regulatory posture, and approach to nuclear safety and naval nuclear propulsion regulation against relevant best practice. Engagement with AUKUS peer regulators supports continuous improvement, enhances the application of a graded, risk-informed regulatory approach, and informs both strategic decision-making and operational priorities. The insights gained contribute to the ongoing development and maturity of ANNPSR as Australia's safety regulator for naval nuclear propulsion.

ANNPSR's regulatory capability development is aligned with NPS Program activities over the coming decades. During the reporting period, an enterprise reporting system was implemented to support whole of agency reporting, governance, and tracking of regulatory activities and resource commitments. ANNPSR has planned for the workforce and support capabilities it needs to meet AUKUS Optimal Pathway milestones and regularly tracks and reports on progress. This approach has improved executive oversight, made progress easier to assess, and helped ANNPSR build the capabilities needed to regulate Australia's NPS Program. Required progress against organisational capability development targets was achieved.

During the reporting period, ANNPSR has observed and participated in all UK and US SSN visits to Australia, gaining valuable practical exposure to submarine operations and regulatory arrangements. Insights gained from these visits informed capability and capacity development, supported regulatory preparedness, and contributed to ANNPSR's ongoing maturation in line with the AUKUS Optimal Pathway.

# Key activity 6

Increase and sustain the capability, capacity and expertise of the Agency.

**Table 7:** Performance measure 6 outcome and analysis, 2025–26

| **Performance measure 6 – Substantially Achieved**<br>Implement the ANNPSR workforce development system | |
|---|---|
| **Target** | **2025–26 result** |
| Deliver the workforce development system as per the planned schedule. | Substantially Achieved |

ANNPSR substantially achieved this performance measure.

Workforce capacity, competence and capability initiatives progressed as planned. Workforce capacity remains a critical foundation for capability development, with ANNPSR successfully recruiting staff, while retaining sufficient flexibility to adapt to dynamic changes as the organisation matures. Secondments from other agencies, labour hire, contractors and Reserve Australian Defence Force (ADF) support have also supported ANNPSR to meet its delivery requirements while ANNPSR continues to gain pace on its specialist Australian Public Service (APS) recruitment activities. Competency development for APS and ADF staff has continued with the conduct of inspection activities and long term secondments with peer regulators, and specialist regulatory and nuclear training courses. Notwithstanding that this performance measure is only 'Substantially Achieved', ANNPSR meets the necessary capacity, competency and capability levels to meet current demands for agency and regulatory activities. The workforce will continue to grow to meet future AUKUS Optimal Pathway milestone requirements.

# Report on financial performance

ANNPSR recorded an operating surplus for 2025–26 of $7.11 million. No prior year comparative results are available as this was ANNPSR's first year of operations. The 2025–26 result was predominantly driven by timing of on-boarding of contractors and lower than anticipated procurement activities across the first year of operation.

**Table 8:** Summary of 2025–26 financial year actual results with comparison to the budget.

| | 2025–26 Actual ($'000) | 2025–26 Budget ($'000) | Variance to budget ($'000) |
|---|---|---|---|
| Income | 31,340 | 29,250 | 2,090 |
| Expenses | 24,231 | 29,309 | (5,078) |
| Net surplus / (deficit) | 7,109 | (59) | 7,168 |
| Average staffing levels | 43 | 77 | 34 |

# Comprehensive income

## Income

Total income for 2025–26 was $31.34 million. This was comprised of a PGPA Act section 75 transfer of $3.66 million upon establishment of ANNPSR on 1 November 2025, departmental appropriation of $25.59 million, and resources received free of charge totalling $2.09 million.

## Operating expenses

Total operating expenses for 2025–26 was $24.23 million, compared to budget of $29.31 million.

This represents an underspend of $5.08 million across key expenditure categories. Employee expenses were overspent ($5.13 million) primarily due to recognition of ADF resources funded by the Department of Defence ($2.02 million), and the transfer of employee leave liabilities on establishment of ANNPSR ($2.55 million). Supplier expenses were underspent ($9.70 million) due to lower than anticipated procurement activities across the first year of operations. Depreciation and other expenses were underspent ($0.51 million) as property arrangements with Defence are still being finalised.

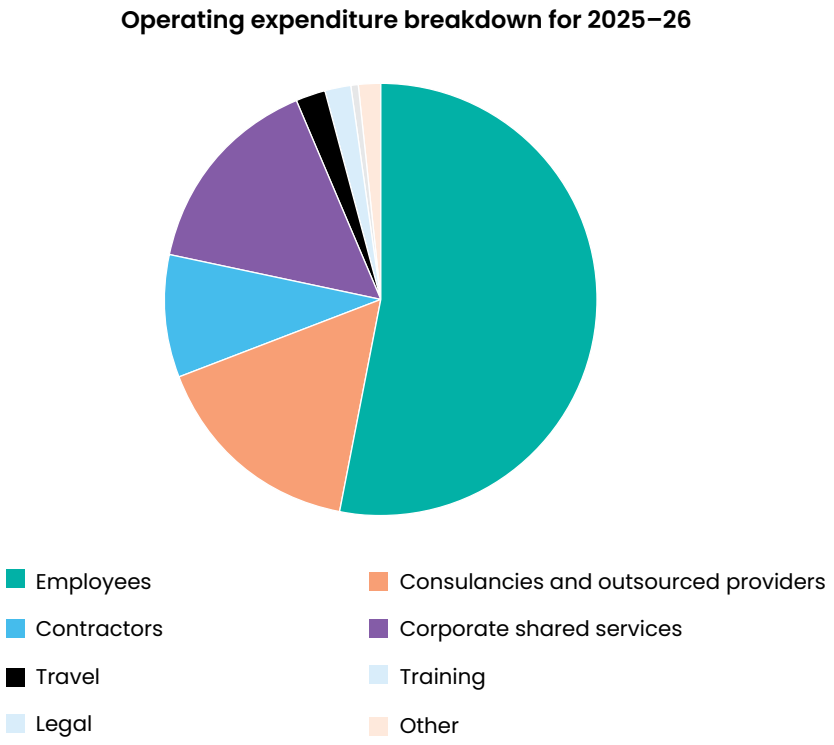



**Figure 2:** Operating expenditure breakdown for 2025–26 by expense classification

## Financial outlook

ANNPSR is budgeting for an unadjusted operating deficit of $0.05 million in 2026–27. The budgeted deficit is driven by finance costs related to property leases.

ANNPSR's operating results are highly dependent on the achievement of APS recruitment targets and engagement of specialist technical external workforce.

ANNPSR will continue to invest in our people and activities to strengthen Australia's naval nuclear propulsion safety regulatory capability in its role in supporting nuclear safety assurance across Australia's NPS Program. ANNPSR will work with the Australian Government to ensure that regulatory assurance capability is achieved and funding arrangements are sustainable.





# 04

# Management and accountability

# Management and accountability

## Corporate governance

ANNPSR operates as a statutory Commonwealth regulator within a complex legislative and operational environment. As the Accountable Authority, Director-General ANNPSR relies on a robust governance framework to provide assurance that ANNPSR is operating effectively, lawfully, and with integrity.

As a non-corporate Commonwealth entity, ANNPSR is subject to the PGPA Act, the ANNPS Act, and a range of other Commonwealth legislative, regulatory, and policy requirements.

The Executive Committee, chaired by the Director-General, provides oversight of ANNPSR's strategic direction, performance and risk management. This is complemented by the independent Audit and Risk Committee (ARC), which provides external advice through its oversight of risk management, internal controls, and governance processes.

These governance arrangements are supported by ANNPSR's risk and performance management systems, which enable informed decision-making and ongoing organisational oversight. During the reporting period, ANNPSR undertook comprehensive internal audits of its performance framework and broader governance arrangements. The outcomes of these audits will support continuous improvement and inform future plans, performance measure changes, and reporting activities.

## Fraud and corruption control and prevention

Director-General ANNPSR is the Accountable Authority under the PGPA Act responsible for governing the agency to promote the proper use and management of public resources, including taking reasonable measures to prevent, detect and respond to fraud and corruption.

The ARC provided independent advice on the appropriateness of ANNPSR's risk management, internal controls and compliance, including fraud and corruption control.

ANNPSR has zero tolerance for fraud and corruption. ANNPSR takes all reasonable measures to prevent, detect, and respond to fraud and corruption. The following principles underpinned our approach to preventing, detecting and responding to fraud and corruption:

- **Integrity by design.** Governance, processes and systems are designed to minimise opportunities for fraud and corruption.
- **Proportionality.** Controls and responses are commensurate with the assessed level of risk.
- **Accountability.** Roles and responsibilities are clear, with oversight by the ARC.
- **Transparency.** Timely, accurate reporting supports informed decision-making and continuous improvement.
- **Collaboration.** Information-sharing with relevant Commonwealth entities and law-enforcement is undertaken lawfully and appropriately.
- **Continuous improvement.** Risk assessments, testing and lessons learned drive updates to this Plan and other related policies.
- **Fraud and corruption management.** To prevent, detect and respond to instances of fraud and corruption, ANNPSR implements layered controls across people, process, technology and culture. These controls are tailored to relevant risks and reviewed periodically.

## Significant non-compliance with finance law

There were no significant issues reported to the Minister under section 19(1)(e) of the PGPA Act, which includes compliance with finance law.

# Audit and Risk Committee

The PGPA Act requires Commonwealth entities to establish an audit committee. ANNPSR's Audit and Risk Committee (ARC) provides an independent assurance and advice to the Director-General on the agency's financial reporting, performance reporting, system of risk oversight and management, and internal controls.

The ARC was formed in February 2026 and conducted its inaugural meeting in March 2026, resulting in one meeting being held during the 2025-26 reporting period.

The ARC's Charter is available on the ANNPSR website at annpsr.gov.au/audit-risk-committee-charter.

**Table 9:** Audit and Risk Committee disclosure requirements, 2025-26

| Member name and role on the committee | Qualifications, knowledge, skills or experience | Number of meetings attended / total number of meetings held | Total annual remuneration (GST inc.) |
|---|---|---|---|
| **Mr Matt Cahill**<br>Chair | Mr Cahill is a former Deputy Secretary with over 20 years' experience as a senior executive in multiple Commonwealth portfolios, leading policy, operational, service delivery, program, regulatory, corporate and assurance leadership teams. He is a former Group Executive Director of the Australian National Audit Office. He currently chairs or is a member of several boards and audit committees.<br>Mr Cahill is a Certified Practising Accountant with fellow status and an Australian Institute of Company Directors graduate. He has a Master of Business Administration and undergraduate degrees in Economics and Science. | 1/1 | $7,601.00 |

| Member name and role on the committee | Qualifications, knowledge, skills or experience | Number of meetings attended / total number of meetings held | Total annual remuneration (GST inc.) |
|---|---|---|---|
| **Ms Maria Storti** Member | Ms Storti specialises in financial management, governance and risk management, and serves as a member on several boards and audit committees across the Commonwealth. Her experience includes positions as performance improvement partner at EY, Deputy CEO at Defence Housing Australia, and vice-president of governance and development at the University of Canberra. Ms Storti holds a Master of Business Administration and a Bachelor of Economics and is a Fellow of Chartered Accountants Australia and New Zealand. She is a Fellow of the Australian Institute of Company Directors and a member of the Institute of Internal Auditors. | 1/1 | $5,500.00 |
| **Ms Tanya Howitt** Member | Ms Howitt is a senior public sector leader with more than 20 years' experience in financial management, compliance and risk management, governance and organisational performance across the Australian Government. Since August 2022, she has served as the deputy Chief Financial Officer and Assistant Secretary of the Financial Services Branch at the Attorney-General's Department. Ms Howitt holds an undergraduate degree in Commerce, is a Fellow of Chartered Accountants Australia and New Zealand, and is an Australian Institute of Company Directors graduate. | 1/1 | Not applicable |

# External scrutiny

There were no judicial decisions or decisions of administrative tribunals during the year that had, or may have, a significant impact on ANNPSR's operations.

There were no reports on ANNPSR during the reporting period by the Commonwealth Ombudsman or the Office of the Australian Information Commissioner.

There were no decisions by the Australian Privacy Commissioner that involved ANNPSR or that had, or might have, a significant impact on ANNPSR's operations.

# Management of human resources

## Managing and developing employees

As Australia's newly established statutory regulator for naval nuclear propulsion, ANNPSR continues to grow to meet its regulatory responsibilities. During 2025–26, the agency increased its APS workforce by 20 employees, reaching 74 employees by 30 June 2026. Staff numbers are expected to grow to approximately 125 employees by 2031–32, including around 15 ADF members and additional support from part-time ADF Reservists.

A capable, skilled and appropriately resourced workforce is essential for ANNPSR to regulate Australia's NPS Program safely, effectively and independently. During the year, the agency continued to develop its workforce planning, recruitment, training, capability development and professional assurance systems.

Recruiting people with specialist nuclear, technical and regulatory expertise remains challenging due to strong demand for these skills both nationally and globally. To address this challenge, ANNPSR has focused on attracting, developing and retaining highly skilled APS employees. This approach is complemented with technical services support from other Commonwealth entities, labour hire, contractors and ADF Reserve support. ANNPSR is committed to building capability within its APS workforce and has progressively reduced its dependency on outsourced labour since establishment.

To support long-term workforce growth, ANNPSR has established a workforce development system that identifies current and future capability requirements and targets training in areas where additional expertise is needed. The system is regularly reviewed to reflect the agency's growth and changing workforce needs. This approach helps ensure ANNPSR continues to build the capability required to fulfil its regulatory responsibilities and support Australia's NPS Program.

A key part of the workforce development system is the ANNPSR Nuclear Baseline, which sets out the core nuclear knowledge and skilling requirements across the organisation. In addition to recruiting required skills, knowledge and skill development is enabled through a range of learning opportunities, including:

- individual development plans
- domestic and international formal education and training programs
- informal and experiential learning opportunities
- domestic and international placements with peer naval nuclear regulators
- participation in audits, inspections and other regulatory activities with peer nuclear and naval nuclear regulators.

During 2025–26, staff completed training in nuclear safety, regulation and other specialist technical disciplines. ANNPSR also worked closely with AUKUS partners to build expertise, including providing opportunities for staff to work alongside established naval nuclear regulators in the UK and US.

Building a strong safety culture remained a priority throughout the year. Staff completed training and awareness activities designed to reinforce the behaviours and standards expected of a modern regulator in the NPS enterprise.

ANNPSR also offers a range of non-salary benefits for APS employees, including flexible working arrangements, generous leave entitlements, study assistance, and learning and development opportunities. Employees may also access salary packaging options, such as additional superannuation contributions and novated motor vehicle leases.

## Workplace agreements

The employment terms and conditions for non-Senior Executive Service (non-SES) employees are set out in the *Public Service Act 1999* titled Public Service (Terms and Condition of Employment) (Australian Naval Nuclear Power Safety Regulator) Determination 2025, made under subsection 24(3) of the *Public Service Act 1999*.

The employment terms and conditions for Senior Executive Service (SES) employees are covered by the Public Service (Australian Naval Nuclear Power Safety Regulator Senior Executive Service Remuneration) Determination 2026 (No.1).

**Table 10:** *Public Service Act 1999* employment arrangements, 2025–26

| Employment arrangements | SES | Non-SES | Total |
|---|---|---|---|
| Determinations under subsection 24(3) of the *Public Service Act 1999* | – | 72 | **72** |
| Public Service (Australian Naval Nuclear Power Safety Regulator Senior Executive Service Remuneration) Determination 2026 (No.1) | 2 | – | **2** |
| **Total** | **2** | **72** | **74** |

## Assets management

Management of ANNPSR's assets is governed by the PGPA Act aligning with accounting standards and government best practice. ANNPSR does not receive Departmental Capital Budget or equity funding. ANNPSR maintains an asset register and asset management policies for departmentally funded assets.

# Purchasing

ANNPSR has reviewed its internal procurement policies, and its compliance aligned with the Commonwealth Procurement Rules.

Further information on the department's procurement activities can be found on AusTender.

ANNPSR had two instances of non-compliance with the Commonwealth Procurement Rules during the financial year, as summarised below:

**Table 11:** Commonwealth Procurement Rules non-compliance, 2025–26

| Non-compliance | Details |
|---|---|
| Mandatory reporting obligations | Two contracts were not reported within 42 days as required. Non-compliance addressed. Contracts reported on AusTender. Refer Contract Notice CN4220109 and CN4168353-A1. |

# Consultancy and non-consultancy contract expenditure

## Reportable consultancy contracts

During 2025–26, one (1) new reportable consultancy contract was entered into involving total actual expenditure of $67,452. No ongoing reportable consultancy contracts were active during the period.

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.

Decisions to engage consultants during the financial year 2025-26 were made in accordance with the PGPA Act, the Commonwealth Procurement Rules and relevant internal policies.

ANNPSR engages consultants to provide specialised expertise that is not available internally or to provide independent advice. Consultant services are procured through established panel arrangements, or the direct engagement of recognised experts with pre-eminent knowledge and experience in the relevant field.

**Table 12:** Expenditure on reportable consultancy contracts

| Reportable consultancy contracts | Number | Expenditure $'000 (GST inc.) |
|---|---|---|
| New contracts entered into during the reporting period | 1 | 67 |
| Ongoing contracts entered into during a previous reporting period | – | – |
| **Total** | **1** | **67** |

**Table 13:** Organisations receiving a share of reportable consultancy contract expenditure[1]

| Name of organisation | Organisation ABN | Expenditure $'000 (GST inc.) |
|---|---|---|
| Bellchambers Barrett | ABN 14 942 509 138 | 67 |

## Reportable non-consultancy contracts

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 14:** Expenditure on reportable non-consultancy contracts

| Reportable non-consultancy contract[2] | Number | Expenditure $'000 (GST inc.)[3] |
|---|---|---|
| New contracts entered into during the reporting period | 32 | 6,388 |
| Ongoing contracts entered into during a previous reporting period | – | – |
| **Total** | **32** | **6,388** |

1 Some contracts were established in 2025–26; however, no expenditure has been incurred within the financial year. Details of all published contracts for 2025–26 are available on the Australian Government's AusTender website.

2 Contracts transferred from Defence to ANNPSR on 1 November 2025 under a novation agreement are treated as new contracts by ANNPSR.

3 A number of contracts were established in 2025–26; however, no expenditure has been incurred within the financial year. Details of all published contracts for 2025–26 are available on the Australian Government's AusTender website.

**Table 15:** Organisations receiving a share of reportable non-consultancy contract expenditure[4]

| Name of organisation | Organisation ABN | Expenditure $'000 (GST inc.) |
|---|---|---|
| Ernst & Young Consulting | ABN 75 288 172 749 | 5,320 |
| Equity Partners & DC Pty Ltd ATF DC Family Trust | ABN 60 925 763 243 | 13 |
| The Nous Group | ABN 66 086 210 344 | 150 |
| Systems, Planning and Analysis Australia Pty Ltd | ABN 58 621 832 102 | 271 |
| Morpht Pty Ltd | ABN 51 156 310 922 | 18 |
| Bokhara Projects Pty Ltd | ABN 85 619 368 348 | 250 |
| Australian Government Solicitor – Matter Operating Account | ABN 69 405 937 639 | 94 |
| RECAP Consultants Pty Ltd Trust | ABN 24 212 421 202 | 11 |
| Horizon One Recruitment Pty Ltd | ABN 98 129 885 838 | 20 |
| ASC Pty Ltd | ABN 64 008 605 034 | 14 |
| 1 and One Pty Ltd | ABN 13 637 567 947 | 14 |
| Frazer-Nash Consultancy | ABN 20 578 377 332 | 130 |
| Effective People Pty Ltd | ABN 79 063 100 201 | 36 |
| Talent International Holdings Pty Ltd | ABN 28 131 419 577 | 6 |
| BMT Defence and Security Aust Pty Ltd | ABN 74 112 778 444 | 27 |
| Athru Solutions Pty Ltd | ABN 39 656 189 516 | 8 |
| Dalla Costa Pty Limited | ABN 61 123 239 903 | 6 |

4 Some providers are consultancy firms but were engaged under contractor arrangements and are reported as non-consultancy contracts.

## Strategic Commissioning Framework

ANNPSR operates in line with the APS Strategic Commissioning Framework. Core work is done in-house in most cases, and any outsourcing of core work is minimal and aligns with the limited circumstances permitted under the APS Strategic Commissioning Framework.

## Australian National Audit Office access clauses

During the reporting period, ANNPSR did not enter into any contracts that contained provisions requiring disclosure under section 17AG(8) of the PGPA Rule.

## Exempt contracts

During 2025–26, ANNPSR had one contract exempted from publication on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

## Small business

ANNPSR supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises and Small Enterprise participation statistics are available on the Department of Finance's website.

ANNPSR is compliant with the requirements under the Commonwealth Procurement Rules in the consideration of Australian Businesses, and small and medium enterprises when conducting approaches to market. The use of Commonwealth standing offer arrangements by ANNPSR addresses barriers for entry for small and medium enterprises such as complex documentation and costly preparation of submissions.

Where appropriate, ANNPSR applies *Appendix A: Exemptions under the Commonwealth Procurement Rules* in the engagement of small and medium enterprises.

ANNPSR 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 at treasury.gov.au.

# Other mandatory information

## Advertising and market research

ANNPSR did not conduct any advertising campaigns during 2025–26.

## Grants

ANNPSR did not administer grants during 2025–26.

## Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that supports people with disability to participate in all areas of Australian life. The Strategy identifies practical actions to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations 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.

Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at apsc.gov.au.

## Freedom of information

ANNPSR's Information Publication Scheme statement, pursuant to Part II of the *Freedom of Information Act 1982*, is available at annpsr.gov.au/corporate-information/accessing-information/freedom-information.

Feedback on this plan can be provided by contacting the FOI and Privacy Officer:

The FOI and Privacy Officer
Australian Naval Nuclear Power Safety Regulator
PO Box 7926
Canberra BC, ACT 2610

Documents released by ANNPSR in response to FOI requests can be found on the disclosure log at annpsr.gov.au/corporate-information/accessing-information/freedom-information/foi-disclosure-log.

## Remediation of information published in previous annual reports

This is ANNPSR's inaugural annual report. Accordingly, there are no prior annual reports, there are no instances of materially incorrect information, or remediation of previously published information to report under section 17AH(1)(e) of the PGPA Rule.





# 05

# Appendices

# Appendix A: Financial statements

For period ended 30 June 2026

Australian National Audit Office

**INDEPENDENT AUDITOR'S REPORT**

**To the Minister for Defence**

**Opinion**

In my opinion, the financial statements of the Australian Naval Nuclear Power Safety Regulator (the Entity) for the year ended 30 June 2026:

(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 2026 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 2026 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 and forming 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

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applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

**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



Sean Benfield
Senior Executive Director
Delegate of the Auditor-General
Canberra
13 August 2026

## Australian Naval Nuclear Power Safety Regulator
## STATEMENT BY THE DIRECTOR-GENERAL AND CHIEF FINANCIAL OFFICER
*For the period ended 30 June 2026*

In our opinion, the attached financial statements for the period 1 November 2025 to 30 June 2026 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 Naval Nuclear Power Safety Regulator will be able to pay its debts as and when they fall due.

Michael Drake
Director-General
13 August 2026

Sarah Martin
Chief Financial Officer
13 August 2026

## Australian Naval Nuclear Power Safety Regulator
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## Australian Naval Nuclear Power Safety Regulator
## STATEMENT OF COMPREHENSIVE INCOME
*For the period ended 30 June 2026*

| | Notes | 2026 $'000 | Original budget[1] $'000 |
|---|---|---|---|
| **NET COST OF SERVICES** | | | |
| **Expenses** | | | |
| Employee benefits[2] | 1.1A | **12,946** | 7,814 |
| Supplier expenses[3] | 1.1B | **11,285** | 20,983 |
| Depreciation and amortisation | 2.2A | **-** | 453 |
| Other expenses | | **-** | 59 |
| **Total expenses** | | **24,231** | 29,309 |
| **INCOME** | | | |
| **Own-source income** | | | |
| Resources received free of charge[4] | 1.2A | **2,090** | - |
| **Total own-source income** | | **2,090** | - |
| **Net (cost of) services** | | **(22,141)** | (29,309) |
| **Revenue from Government** | | | |
| Revenue from Government | 1.2B | **29,250** | 29,250 |
| **Surplus/(Deficit)** | | **7,109** | (59) |
| **Total comprehensive income/(loss)** | | **7,109** | (59) |

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

**Budget Variance Commentary**

Variances are considered to be 'major' based on the following criteria:

- Variances between budget and actual is greater than 10% at item level, and
- Variance is greater than 2% of the relevant categories. In the case of the statement of comprehensive income, they are total expenses or total revenue.

The 2025-26 financial statements are for the period 1 November 2025 to 30 June 2026. All figures are reflective of part year of operations.

1. The original budget published by ANNPSR is the Portfolio Additional Estimates Statements 2025-26 (PAES) and is disclosed in line with requirements of *AASB 1055 Budgetary Reporting.*

2. Employee benefits

The variance relates to the recognition of ADF resources received free of charge, which were not included in the original budget estimates. The variance was further impacted by the transfer of unfunded employee leave liabilities on commencement of the entity, resulting in higher employee-related expenses than originally anticipated.

3. Supplier expenses

The lower than budget result primarily relates to timing of on-boarding of contractors and lower than anticipated procurement activities across the first year of operations.

4. Resources received free of charge

Resources received free of charge were unbudgeted at the time of establishment, and were not recognised until later in the financial year. This is offset by increased employee benefits.

## Australian Naval Nuclear Power Safety Regulator
## STATEMENT OF FINANCIAL POSITION
*As at 30 June 2026*

| | Notes | 2026 $'000 | Original budget[1] $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 2.1A | **1,037** | 500 |
| Trade and other receivables | 2.1B | **131** | 150 |
| Appropriation receivables[2] | 2.1C | **14,650** | 6,505 |
| **Total financial assets** | | **15,818** | 7,155 |
| **Non-financial assets** | | | |
| Buildings (including right-of-use)[3] | 2.2A | **10** | 2,716 |
| **Total non-financial assets** | | **10** | 2,716 |
| **Total assets** | | **15,828** | 9,871 |
| **LIABILITIES** | | | |
| **Payables** | | | |
| Supplier payables[4] | | **4,542** | 1,440 |
| Employee payables | 2.3A | **429** | 454 |
| Other payables | | **29** | - |
| **Total payables** | | **5,000** | 1,894 |
| **Interest bearing liabilities** | | | |
| Leases[5] | | **-** | 2,775 |
| **Total interest bearing liabilities** | | **-** | 2,775 |
| **Provisions** | | | |
| Employee provisions[6] | 2.5A | **3,719** | 2,709 |
| **Total provisions** | | **3,719** | 2,709 |
| **Total liabilities** | | **8,719** | 7,378 |
| **Net assets** | | **7,109** | 2,493 |
| **EQUITY** | | | |
| Contributed equity[7] | | **-** | 2,552 |
| Retained surplus | | **7,109** | (59) |
| **Total equity** | | **7,109** | 2,493 |

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

## Australian Naval Nuclear Power Safety Regulator

### Budget Variance Commentary

Variances are considered to be 'major' based on the following criteria:

- Variances between budget and actual is greater than 10% at item level, and
- Variance is greater than 2% of the relevant categories.

The 2025-26 financial statements are for the period 1 November 2025 to 30 June 2026. All figures are reflective of part year of operations.

1. The original budget published by ANNPSR is the Portfolio Additional Estimates Statements 2025-26 (PAES) and is disclosed in line with requirements of *AASB 1055 Budgetary Reporting.*

2. Appropriation receivables
The balances is higher than budgeted due to the unbudgeted surplus result.

3. Buildings (including right-of-use)
Buildings were lower than budgeted as the anticipated right-of-use asset had not been recognised during the reporting period. In the absence of a finalised Memorandum of Understanding (MOU) with the Department of Defence, ANNPSR did not have enforceable rights of occupancy and did not meet the criteria for recognition of a right-of-use asset and associated lease liability.

4. Supplier payables
Supplier payables exceeded budget due to the accrual of the MOU costs with the Department of Defence, pending finalisation of the agreement.

5. Leases
In the absence of a finalised MOU with the Department of Defence, ANNPSR did not have enforceable rights of occupancy and did not meet the criteria for recognition of a right-of-use asset and associated lease liability, and property-related costs were expensed as incurred.

6. Employee provisions
Employee provisions exceeded budget primarily due to employees transferring into ANNPSR with existing leave entitlements accrued at their previous agencies.

7. Contributed equity
The budgeted transfer of assets to ANNPSR upon commencement did not occur as originally anticipated. Consequently, the associated contributed equity was not realised.

## Australian Naval Nuclear Power Safety Regulator
## STATEMENT OF CHANGES IN EQUITY
*For the period ended 30 June 2026*

| | 2026 $'000 | Original budget[1] $'000 |
|---|---|---|
| **TOTAL EQUITY** | | |
| **Opening balance** | | |
| Balance carried forward from previous period | - | - |
| **Comprehensive income** | | |
| Surplus[2] | **7,109** | - |
| **Total comprehensive income** | **7,109** | - |
| **Transactions with owners** | | |
| **Contribution by owners** | | |
| Equity restructure - transfer from Defence[3] | - | 2,552 |
| **Total transactions with owners** | - | 2,552 |
| **Closing balance as at 30 June** | **7,109** | 2,552 |

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.

**Budget Variance Commentary**

Variances are considered to be 'major' based on the following criteria:
- Variances between budget and actual is greater than 10% at item level, and
- Variance is greater than 2% of the relevant categories.

The 2025-26 financial statements are for the period 1 November 2025 to 30 June 2026. All figures are reflective of part year of operations.

1. The original budget published by ANNPSR is the Portfolio Additional Estimates Statements 2025-26 (PAES) and is disclosed in line with requirements of *AASB 1055 Budgetary Reporting.*

2. Surplus
The variance is primarily due to delayed procurement activities in the first year of operations.

3. Equity Restructure
The budgeted transfer of assets to ANNPSR upon commencement did not occur as originally anticipated. Consequently, there was no transfer of equity realised.

## Australian Naval Nuclear Power Safety Regulator
## CASH FLOW STATEMENT
*For the period ended 30 June 2026*

| | Notes | 2026 $'000 | Original budget[1] $'000 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Cash received** | | | |
| Appropriations | | **14,600** | 22,745 |
| Section 74 receipts[2] | | **389** | - |
| Net GST received | | **596** | - |
| **Total cash received** | | **15,585** | 22,745 |
| **Cash used** | | | |
| Suppliers[3] | | **7,328** | 19,752 |
| Employees[4] | | **7,165** | 4,651 |
| GST paid | | **45** | - |
| **Total cash used** | | **14,538** | 24,403 |
| **Net cash from operating activities (Outflow)** | | **1,047** | (1,658) |
| **INVESTING ACTIVITIES** | | | |
| **Cash used** | | | |
| Purchase of buildings, infrastructure, plant and equipment | | **10** | - |
| **Total cash used** | | **10** | - |
| **Net cash used for investing activities** | | **(10)** | - |
| **FINANCING ACTIVITIES** | | | |
| **Cash received** | | | |
| Contributed equity[5] | | **-** | 2,552 |
| **Total cash received** | | **-** | 2,552 |
| **Cash used** | | | |
| Principal payments of lease liabilities[6] | | **-** | 394 |
| **Total cash used** | | **-** | 394 |
| **Net cash from financing activities** | | **-** | 2,158 |
| **Net increase in cash held** | | **1,037** | 500 |
| Cash and cash equivalents at the beginning of the reporting period[7] | | **-** | - |
| **Cash and cash equivalents at the end of the reporting period** | 2.1A | **1,037** | 500 |

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

## Australian Naval Nuclear Power Safety Regulator

**Budget Variance Commentary**

Variances are considered to be 'major' based on the following criteria:

- Variances between budget and actual is greater than 10% at item level, and
- Variance is greater than 2% of the relevant categories.

The 2025-26 financial statements are for the period 1 November 2025 to 30 June 2026. All figures are reflective of part year of operations.

1. The original budget published by ANNPSR is the Portfolio Additional Estimates Statements 2025-26 (PAES) and is disclosed in line with requirements of *AASB 1055 Budgetary Reporting.*

2. Appropriations

Lower than anticipated operating expenses, together with higher supplier payables at year end, resulted in a reduced appropriation requirement during the reporting period.

3. Suppliers

The lower than budget result primarily relates to timing of on-boarding of contractors and lower than anticipated procurement activities across the first year of operations and increased supplier payables at year end.

4. Employees

Employee cash payments were higher than expected due to the profile of employee-related cash disbursements differing from that assumed in the original budget.

5. Contributed equity

The budgeted transfer of cash to cover leave liabilities transferred to ANNPSR upon commencement did not occur as originally anticipated.

6. Principal payments of lease liabilities

Principal repayments of lease liabilities were below budget as no lease liability was recognised during the period, as enforceable occupancy rights had not been established pending finalisation of the MOU with the Department of Defence.

7. Net increase in cash held

The working balance of the bank account is higher than originally expected.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
*For the period ended 30 June 2026*

**Overview**
The Australian Naval Nuclear Power Safety Regulator (ANNPSR) was established on 1 November 2025 and is a federal government entity domiciled in Australia. ANNPSR's principal activity is to provide independent regulatory oversight of Australia's emerging naval nuclear propulsion capabilities for Australia, ensuring that the highest standards of nuclear safety are upheld. ANNPSR's principal place of business is in Canberra.

The continued existence of ANNPSR 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. 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 2025-26.

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

**Restructure of Administrative Arrangements**
ANNPSR was established under the *Australian Naval Nuclear Power Safety Act 2024*. As part of its establishment, ANNPSR initially received $29.3 million in funding from Defence, including $3.6 million provided through Supply Act No. 1, with the remaining funding directly appropriated to ANNPSR. The transfer, effected through a Section 75 PGPA Act determination, also included $2.6 million 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 ANNPSR, the results of these operations, or state of affairs of ANNPSR in subsequent years.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
*For the period ended 30 June 2026*

# 1. Financial Performance

## 1.1: Expenses

| | 2026 $'000 |
|---|---|
| **Note 1.1A: Employee benefits** | |
| **Australian Public Service (APS) employee benefits** | |
| Wages and salaries | **5,960** |
| Superannuation | |
| Defined contribution plans | **732** |
| Defined benefit plans | **254** |
| Leave and other entitlements | **3,751** |
| Other allowances | **198** |
| Fringe benefits tax | **29** |
| **Total APS employee benefits** | **10,924** |
| | |
| **Australian Defence Force (ADF) employee benefits**[1] | |
| Wages and salaries | **2,022** |
| **Total ADF employee benefits** | **2,022** |
| | |
| **Total employee benefits (net)** | **12,946** |

1. ANNPSR recognises resources free of charge (Note 1.2A) for those ADF members administratively posted to ANNPSR.

**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 ANNPSR are members of the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) and other superannuation schemes held outside the Commonwealth.

The PSS is a defined benefit scheme 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. ANNPSR 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 ANNPSR's employees. The ANNPSR 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 2026 represents outstanding contributions yet to be paid.

(c) Paid Parental Leave

ANNPSR 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 Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
*For the period ended 30 June 2026*

| | 2026 $'000 |
|---|---|
| **Note 1.1B: Supplier expenses** | |
| **Goods and services supplied or rendered** | |
| Consultancies & Outsourced Providers | **3,915** |
| Contractors | **2,245** |
| Corporate shared services | **3,718** |
| Travel | **456** |
| Training | **461** |
| Legal | **94** |
| Other | **396** |
| **Total goods and services supplied or rendered** | **11,285** |
| | |
| Goods supplied | **73** |
| Services rendered | **11,212** |
| **Total goods and services supplied or rendered** | **11,285** |
| | |
| **Total supplier expenses** | **11,285** |

**Accounting Policy**
ANNPSR 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). ANNPSR 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.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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### 1.2: Own-Source Revenue and Gains

| | 2026 $'000 |
|---|---|
| **Note 1.2A: Resources received free of charge** | |
| ADF salaries received free of charge | 2,022 |
| Remuneration of auditors | 68 |
| **Total resources received free of charge** | 2,090 |

**Accounting Policy**

Resources received free of charge (RRFOC) 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. RRFOC are recorded as either revenue or gains depending on their nature.

Defence undertakes the administrative posting of Australian Defence Force (ADF) members to ANNPSR to support ANNPSR's activities. During the period of the administrative posting, these personnel are made available to ANNPSR free of charge, however they remain under the ultimate command of the Chief of the Defence Force.

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 | 29,250 |
| **Total revenue from Government** | 29,250 |

**Accounting Policy**

Departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when ANNPSR 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.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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# 2. Financial Position

## 2.1: Financial Assets

| | 2026 $'000 |
|---|---|
| **Note 2.1A: Cash and cash equivalents** | |
| Cash at bank | 1,037 |
| **Total cash and cash equivalents** | 1,037 |

**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**

| | |
|---|---|
| **Other receivables** | |
| GST receivable from the Australian Taxation Office | 45 |
| Other[1] | 86 |
| **Total other receivables** | 131 |
| **Total trade and other receivables (net)** | 131 |

1. Other receivables predominantly relates to receivables from other departments for leave liabilities of those employees transferring to ANNPSR.

**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 | 14,650 |
| **Total appropriation receivables** | 14,650 |

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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### 2.2: Non-Financial Assets

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

| | Buildings $'000 | Total $'000 |
|---|---|---|
| **As at 1 November 2025** | | |
| Gross book value | - | **-** |
| **Total as at 1 November 2025** | **-** | **-** |
| Additions | | |
| By purchase | 10 | **10** |
| **Total as at 30 June 2026** | **10** | **10** |
| **Total as at 30 June 2026 represented by** | | |
| Gross book value | - | **-** |
| Assets under construction | 10 | **10** |
| Accumulated depreciation | - | **-** |
| **Total as at 30 June 2026** | **10** | **10** |

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## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
*For the period ended 30 June 2026*

**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 $20,000, 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 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 |
|---|---|
| Land | 1 year – indefinite |
| Buildings (inc. leasehold improvements) | 1 – 50 years (Life of lease) |
| Other plant and equipment | 2 – 25 years |
| Software | 2 – 5 years |
| Other intangibles | 2 – 5 years |
| Heritage and cultural | 10 years – indefinite |

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 Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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### 2.3: Payables

| | 2026 $'000 |
|---|---|
| **Note 2.3A: Employee payables** | |
| Salaries and wages | **370** |
| Superannuation | **59** |
| **Total employee payables** | **429** |

### 2.4: Interest Bearing Liabilities

ANNPSR did not have any lease liabilities as at 30 June 2026.

**Accounting Policy**

For all new contracts entered into, ANNPSR 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-of-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 ANNPSR'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 ANNPSR to extend the lease term or purchase the asset at the conclusion of the lease. ANNPSR considers all relevant facts and circumstances that create an economic incentive for ANNPSR to exercise, or not to exercise, the option, including any expected changes in facts and circumstances.

ANNPSR does not guarantee the residual value of any significant lease assets, and no sale and leaseback transactions were recorded in the 2025-26 financial year.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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### 2.5: Provisions

| | 2026 $'000 |
|---|---|
| **Note 2.5A: Employee provisions** | |
| **Australian Public Service (APS) employee provisions** [1] | |
| Long service leave | **2,393** |
| Annual leave | **1,326** |
| **Total APS employee provisions** | **3,719** |
| **Total employee provisions** | **3,719** |

1. Employee provisions include $2.6 million transferred from the Department of Defence on commencement of the entity.

**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 liability takes into account employee attrition rates and pay increases through promotion and inflation.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
*For the period ended 30 June 2026*

# 3. Funding

## 3.1: Appropriations

### Note 3.1A: Annual appropriations ('recoverable GST exclusive')

**Annual Appropriations for 2025-26**

| | Annual Appropriation $'000 | Adjustments to appropriations[1] $'000 | Total Appropriation $'000 | Appropriation applied in 2026 $'000 | Variance[2] $'000 |
|---|---|---|---|---|---|
| **DEPARTMENTAL** | | | | | |
| Ordinary annual services | 25,594 | 4,641 | 30,235 | (14,548) | 15,687 |
| **Total departmental** | **25,594** | **4,641** | **30,235** | **(14,548)** | **15,687** |

1. Adjustments to appropriations includes adjustments to current year annual appropriations including PGPA Act section 74 receipts of $1.0 million and PGPA Act section 75 transfers of $3.7 million.
2. The variance includes cash at bank and appropriations receivable that have not been drawn down in 2025-26.

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

| | 2026 $'000 |
|---|---|
| **Operating** | |
| *Appropriation Act (No.1) 2025-26* | **14,650** |
| **Total Operating** | **14,650** |
| Cash and cash equivalents | **1,037** |
| **Total unspent annual appropriations** | **15,687** |

## 3.2: Net Cash Appropriation Arrangements

### Note 3.2A: Net cash appropriation arrangements

| | Notes | 2026 $'000 |
|---|---|---|
| **Total comprehensive income - per Statement of Comprehensive Income** | | **7,109** |
| **Net cash operating surplus** | | **7,109** |

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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# 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 ANNPSR, directly or indirectly. The following are considered to be the KMP of ANNPSR:

- Director-General
- Deputy Director-General

The KMP remuneration for the period is shown below:

| | 2026<br>$'000 |
|---|---|
| **Note 4.1: Key management personnel remuneration** | |
| Short-term employee benefits | **600** |
| Post-employment benefits | **41** |
| Long-term benefits | **13** |
| **Total key management personnel remuneration expenses** | **654** |

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

The total number of KMP in the above table is 3.

### 4.2: Related Party Disclosures

**Related party relationships:**

ANNPSR is an Australian Government controlled entity. Related parties to ANNPSR 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.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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# 5. Managing Uncertainties

### 5.1: Contingent Assets and Liabilities

**Quantifiable Contingencies**
As at 30 June 2026 there were nil quantifiable contingent assets or liabilities.

**Unquantifiable Contingencies**
As at 30 June 2026 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 an 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.

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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### 5.2: Financial Instruments

| | 2026 $'000 |
|---|---|
| **Note 5.2A: Categories of financial instruments** | |
| **Financial assets at amortised cost:** | |
| Cash and cash equivalents | **1,037** |
| Trade and other receivables | **131** |
| **Total financial assets at amortised cost** | **1,168** |
| **Carrying amount of financial assets** | **1,168** |
| | |
| **Financial Liabilities** | |
| **Financial liabilities measured at amortised cost:** | |
| Supplier payables | **4,542** |
| Employee payables | **429** |
| Other payables | **29** |
| **Total financial liabilities measured at amortised cost** | **5,000** |
| **Carrying amount of financial liabilities** | **5,000** |

**Accounting Policy**

**Financial Assets**

Financial assets are recognised when ANNPSR 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.

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

All financial assets of ANNPSR 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.

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 rate basis.

ANNPSR'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).

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
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# 6. Other Information

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

| | 2026 $'000 |
|---|---|
| **Note 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 | 1,037 |
| Trade and other receivables | 131 |
| Appropriation receivables | 14,650 |
| **Total no more than 12 months** | 15,818 |
| **More than 12 months** | |
| Buildings (including right-of-use) | 10 |
| **Total more than 12 months** | 10 |
| **Total assets** | 15,828 |
| **Liabilities expected to be settled in:** | |
| **No more than 12 months** | |
| Supplier payables | 4,542 |
| Employee payables | 429 |
| Other payables | 29 |
| Employee provisions | 1,004 |
| **Total no more than 12 months** | 6,004 |
| **More than 12 months** | |
| Employee provisions | 2,715 |
| **Total more than 12 months** | 2,715 |
| **Total liabilities** | 8,719 |

## Australian Naval Nuclear Power Safety Regulator
## NOTES TO AND FORMING THE FINANCIAL STATEMENTS
*For the period ended 30 June 2026*

### 6.2: Restructuring

**Note 6.2: Restructuring**

| | 2026 ANNPSR<br>Department of Defence<br>$'000 |
|---|---|
| **FUNCTIONS ASSUMED** | |
| **Liabilities recognised** | |
| Employee Provisions | 2,552 |
| **Total liabilities recognised** | **2,552** |
| **Net assets/(liabilities) recognised[1]** | **(2,552)** |

1. ANNPSR was established under the *Australian Naval Nuclear Power Safety Act 2024* on 1 November 2025. As part of the establishment, existing balances relating to employee leave liabilities were transferred from the Department of Defence. No assets were transferred as part of the PGPA Act s75 transfer, so no Contribution by Owners/Equity has been recognised. The unfunded employee leave liabilities have been expensed.

# Appendix B: Entity resource statement

**Table 16:** Entity resource statement

| | Current available appropriation | Payments made | Balance remaining |
|---|---|---|---|
| | (a) | (b) | (a)-(b) |
| | $'000 | $'000 | $'000 |
| **Departmental** | | | |
| Annual appropriations - ordinary annual services | 25,594 | 9,907 | 15,687 |
| Adjustments to appropriations[5] | 3,656 | 3,656 | – |
| s74 External revenue | 985 | 985 | – |
| **Total departmental resourcing** | **30,235** | **14,548** | **15,687** |
| **Total resourcing and payments for ANNPSR** | **30,235** | **14,548** | **15,687** |

5 Adjustments to appropriations includes PGPA Act section 75 transfers.

**Table 17:** Expenses for outcome 1

| Outcome 1: Assure the protection of people and the environment and the regulation of naval nuclear power activities across the lifecycle of Australia's conventionally-armed, nuclear-powered submarine capability. | Budget 2025-26 $'000 | Actual expenses 2025-26 $'000 | Variation 2025-26 $'000 |
|---|---|---|---|
| | (a) | (b) | (a) - (b) |
| **Program 1.1: Regulation of Naval Nuclear Power Activities** | | | |
| **Departmental expenses** | | | |
| Departmental appropriation | 28,797 | 21,156 | 7,641 |
| s74 External revenue[6] | 0 | 985 | -985 |
| Expenses not requiring appropriation in the Budget[7] year | 512 | 2090 | -1,578 |
| **Departmental total** | 29,309 | 24,231 | 5,078 |
| **Total expenses for Program 1.1** | **29,309** | **24,231** | **5,078** |
| **Total expenses for Outcome 1** | **29,309** | **24,231** | **5,078** |

| | Budget 2025-26 | Actual 2025-26 |
|---|---|---|
| Average staffing level (number) | 77 | 43 |

6 Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

7 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, audit fees, ADF resources received free of charge.

# Appendix C:
# Staffing statistics and salary ranges

## Employee statistics

**Table 18:** All ongoing employees[8]

| Location | Man/Male | | | Woman/Female | | | Non-binary | | | Prefers not to answer | | | Uses a different term | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | |
| NSW | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Qld | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| SA | 1 | – | 1 | 3 | – | 3 | – | – | – | – | – | – | – | – | – | 4 |
| Tas | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vic | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| WA | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ACT | 18 | – | 18 | 38 | 6 | 44 | – | – | – | – | – | – | – | – | – | 62 |
| NT | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| External Territories | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Overseas | – | – | – | 1 | – | 1 | – | – | – | – | – | – | – | – | – | 1 |
| Total | 19 | – | 19 | 42 | 6 | 48 | – | – | – | – | – | – | – | – | – | 67 |

8 Figures exclude statutory office holders and employees on temporary transfers greater than six (6) months to other government agencies.

**Table 19:** All Non-ongoing employees

| Location | Man/Male | | | Woman/Female | | | Non-binary | | | Prefers not to answer | | | Uses a different term | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | |
| NSW | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Qld | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| SA | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Tas | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vic | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| WA | – | – | – | 1 | – | 1 | – | – | – | – | – | – | – | – | – | 1 |
| ACT | 3 | – | 3 | 3 | – | 3 | – | – | – | – | – | – | – | – | – | 6 |
| NT | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| External Territories | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Overseas | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total | 3 | – | 3 | 4 | – | 4 | – | – | – | – | – | – | – | – | – | 7 |

# APS employee statistics

**Table 20:** *Public Service Act 1999* ongoing employees[9]

| Classification | Man/Male | | | Woman/Female | | | Non-binary | | | Prefers not to answer | | | Uses a different term | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | |
| SES 3 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – | – | – | – | – | | – | – | – | – |
| SES 1 | – | – | – | 1 | – | 1 | – | – | – | – | – | – | – | – | – | 1 |
| EL 2 | 4 | – | 4 | 9 | 1 | 10 | – | – | – | – | – | – | – | – | – | 14 |
| EL 1 | 8 | – | 8 | 19 | 1 | 20 | – | – | – | – | – | – | – | – | – | 28 |
| APS 6 | 6 | – | 6 | 10 | 2 | 12 | – | – | – | – | – | – | – | – | – | 18 |
| APS 5 | 1 | – | 1 | 1 | 1 | 2 | – | – | – | – | – | – | – | – | – | 3 |
| APS 4 | – | – | – | 2 | 1 | 3 | – | – | – | – | – | – | – | – | – | 3 |
| APS 3 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| APS 2 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total | 19 | – | 19 | 42 | 6 | 48 | – | – | – | – | – | – | – | – | – | 67 |

9 Figures are based on substantive headcount and excludes employees on temporary transfers greater than six (6) months to other government agencies.

**Table 21:** *Public Service Act 1999* non-ongoing employees

| Classification | Man/Male | | | Woman/Female | | | Non-binary | | | Prefers not to answer | | | Uses a different term | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total | |
| SES 3 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| SES 1 | 1 | – | 1 | – | – | – | – | – | – | – | – | – | – | – | – | 1 |
| EL 2 | 1 | – | 1 | 1 | – | 1 | – | – | – | – | – | – | – | – | – | 2 |
| EL 1 | 1 | – | 1 | 2 | – | 2 | – | – | – | – | – | – | – | – | – | 3 |
| APS 6 | – | – | – | 1 | – | 1 | – | – | – | – | – | – | – | – | – | 1 |
| APS 5 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| APS 4 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| APS 3 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| APS 2 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total | 3 | – | 3 | 4 | – | 4 | – | – | – | – | – | – | – | – | – | 7 |

**Table 22:** *Public Service Act 1999* employees by full-time and part-time status[10]

| Classification | Ongoing | Ongoing | Ongoing | Non-Ongoing | Non-Ongoing | Non-Ongoing | Total |
|---|---|---|---|---|---|---|---|
| | Full-time | Part-time | Total Ongoing | Full-time | Part-time | Total Non-Ongoing | |
| **SES 3** | – | – | – | – | – | – | – |
| **SES 2** | – | – | – | – | – | – | – |
| **SES 1** | 1 | 0 | 1 | 1 | – | 1 | 2 |
| **EL 2** | 13 | 1 | 14 | 2 | – | 2 | 16 |
| **EL 1** | 27 | 1 | 28 | 3 | – | 3 | 31 |
| **APS 6** | 16 | 2 | 18 | 1 | – | 1 | 19 |
| **APS 5** | 2 | 1 | 3 | – | – | – | 3 |
| **APS 4** | 2 | 1 | 3 | – | – | – | 3 |
| **APS 3** | – | – | – | – | – | – | – |
| **APS 2** | – | – | – | – | – | – | – |
| **APS 1** | – | – | – | – | – | – | – |
| **Other** | – | – | – | – | – | – | – |
| **Total** | **61** | **6** | **67** | **7** | **–** | **7** | **74** |

10 Figures exclude employees on temporary transfers greater than six (6) months to other government agencies.

**Table 23:** *Public Service Act 1999* employment type by location[11]

| Location | Ongoing | Non-Ongoing | Total |
|---|---|---|---|
| NSW | – | – | – |
| Qld | – | – | – |
| SA | 4 | – | 4 |
| Tas | – | – | – |
| Vic | – | – | – |
| WA | – | 1 | 1 |
| ACT | 62 | 6 | 68 |
| NT | – | – | – |
| External Territories | – | – | – |
| Overseas | 1 | – | 1 |
| **Total** | **67** | **7** | **74** |

**Table 24:** *Public Service Act 1999* indigenous employment

| Employment basis | Total |
|---|---|
| Ongoing | – |
| Non-Ongoing | – |
| **Total** | **0** |

11 Figures exclude employees on temporary transfers greater than six (6) months to other government agencies.

**Table 25:** *Public Service Act 1999* employment salary ranges by classification level (minimum/maximum)[12]

| Classification | Minimum salary | Maximum salary |
|---|---|---|
| **SES 3** | $320,119 | $375,565 |
| **SES 2** | $261,584 | $309,845 |
| **SES 1** | $218,785 | $252,065 |
| **EL 2** | $144,430 | $173,359[13] |
| **EL 1** | $124,393 | $140,315[14] |
| **APS 6** | $99,733 | $112,431 |
| **APS 5** | $89,841 | $96,829 |
| **APS 4** | $81,868 | $89,377 |
| **APS 3** | $72,275 | $79,635 |
| **APS 2** | $63,449 | $71,329 |
| **APS 1** | $57,497 | $62,934 |
| **Other** | – | – |
| **Minimum/Maximum range** | **$57,497** | **$375,565** |

## Performance pay

ANNPSR did not have arrangements for performance pay during 2025-26.

12 Salary ranges provided under the ANNPSR Defence Enterprise Collective Agreement 2024 (Director-General ANNPSR) Delegation (No.1) 2025.

13 Maximum rate of $232,096 for Executive Level 2.1 and Executive Level 2.2 and Legal classification.

14 Maximum rate of $152,325 for Legal classification.

# Executive remuneration

**Table 26:** Information about remuneration for key management personnel[15]

| | | Short-term benefits | Short-term benefits | Short-term benefits | Post-employment benefits | Other long-term benefits | Other long-term benefits | Termination benefits | Total remuneration |
|---|---|---|---|---|---|---|---|---|---|
| **Name** | Position title | Base salary | Bonuses | Other benefits and allowances | Superannuation contributions | Long service leave | Other long-term benefits | – | |
| **Michael Drake** | Director-General | 333,597 | – | 15,157 | 20,654 | 7,869 | – | – | **377,278** |
| **Dale Heinken** | Deputy Director-General | 81,215 | – | 13,412 | 6,808 | 1,444 | – | – | **102,879** |
| **Ryan Gilchrist** | Deputy Director-General (Acting) | 156,642 | – | – | 13,846 | 3,972 | – | – | **174,460** |

15 Figures represent 8 months of operation and have not been annualised.

**Table 27:** Information about remuneration for senior executives[16]

| | | Short-term benefits | Short-term benefits | Short-term benefits | Post-employment benefits | Other long-term benefits | Other long-term benefits | Termination benefits | Total remuneration |
|---|---|---|---|---|---|---|---|---|---|
| Total remuneration bands | Number of senior executives | Average base salary | Average bonuses | Average other benefits and allowances | Average superannuation contributions | Average long service leave | Average other long-term benefits | Average termination benefits | Average total remuneration |
| $0 - $220,000 | 1 | 146,717 | – | – | 23,826 | 3,638 | – | – | **174,181** |
| $220,001 - $245,000 | 1 | 197,766 | – | – | 31,073 | 5,023 | – | – | **233,862** |

16 Figures represent 8 months of operation and have not been annualised.

# Appendix D: Licensing, incident reporting, monitoring and enforcement

The following information is provided in accordance with Regulation 110 of the Australian Naval Nuclear Power Safety Regulations 2025.

**Licensing.** During the reporting period, one application was received for a new licence. In response, ANNPSR issued one new licence, and varied three licences transitioned from ARPANSA into a single consolidated licence. Two superseded licences have been surrendered. These licences did not authorise any activities following the variation that consolidated licence activities into a single licence. No licences were refused, suspended, or cancelled during the reporting period, and no exemptions were granted.

**Incident reporting.** ANNPSR is not aware of any nuclear safety incidents related to regulated activities, including those that resulted in, or could have resulted in, significant harm (injury or illness) to an individual or a significant environmental impact during the reporting period. Furthermore, ANNPSR is not aware of any frequent lower-significance incidents related to regulated activities supporting nuclear safety.

**Monitoring and enforcement.** Regulatory inspections are scheduled to commence in 2026–27, and ANNPSR is not aware of any breach to licence conditions. No warrants have been issued, nor investigation powers exercised. To date, no improvement notices or directions have been issued, and there have been no reviews of Regulator decisions made under the ANNPS Act. No court proceedings in relation to an offence or contravention of a civil penalty provision of the ANNPS Act have been brought during the period.

# Appendix E: *Environment Protection and Biodiversity Conservation Act 1999*

ANNPSR supports the Defence Portfolio's commitment to reducing greenhouse gas emissions by 43 per cent on 2005 levels by 2030 and achieving net zero emissions by 2050, as outlined in the Defence Net Zero Strategy. ANNPSR's commitment to these objectives is reflected through the Memorandum of Understanding (MoU) with the Department of Defence, which provides the framework for shared services and operational support.

Recognising the increasing importance of climate related governance, ANNPSR is progressively enhancing its organisational capability to identify, assess and respond to climate related risks and opportunities. The Chief Operating Officer serves as ANNPSR's Climate Champion and provides leadership in supporting climate related initiatives across the organisation.

ANNPSR is undertaking activities to raise staff awareness and capability through targeted learning and development, review existing policies to better reflect climate action commitments, and identify opportunities to contribute to Defence's net zero objectives through operational and workplace practices. Over time, ANNPSR will continue to mature its approach by embedding climate related considerations within its enterprise risk management framework and broader corporate planning processes.

## Metrics and targets

Consistent with ANNPSR's operating model and the arrangements established under the MoU, emissions associated with energy supply, domestic travel and fleet management are managed and reported at the Defence portfolio level. Accordingly, emissions metrics, targets and performance are disclosed through Defence's reporting against the Defence Net Zero Strategy and associated emissions reduction commitments.

# Appendix F: *Work, Health and Safety Act 2011*

ANNPSR is committed to providing a safe working environment and ensuring the health, safety and welfare of its employees, contractors and other persons engaged by the Regulator.

Throughout 2025-26, ANNPSR strengthened its work health and safety (WHS) capability through the development of an ANNPSR WHS Management System, development of a network of safety and support officers, and implementation of consultative mechanisms to support employee participation in WHS matters. The agency also enhanced its internal capability, governance arrangements and management systems, while establishing its relationship with Comcare as its WHS regulator and rehabilitation authority.

The WHS Management System addresses hazards and risks associated with office environments, ANNPSR operated facilities, and regulatory activities conducted at external sites. Safety inductions, risk assessments and ongoing monitoring support effective WHS risk management, alongside ANNPSR's 'Intentional Safety Culture'.

ANNPSR recognises the importance of physical and psychological wellbeing. During 2025–26, organisation-wide ergonomic workstation assessments were undertaken and ergonomic equipment provided where required. Employees and their immediate family members continue to have access to the Employee Assistance Program, which provides free and confidential counselling and coaching services.

Hazards and incidents continue to be reported through the Department of Defence incident reporting tool while ANNPSR transitions to its own arrangements. Between 1 November 2025 and 30 June 2026, three incidents were reported. None resulted in a notifiable incident under the *Work Health and Safety Act 2011*, and ANNPSR was not issued with any improvement notices, prohibition notices or other enforcement measures during the reporting period.

# Appendix G: *Future Made in Australia Act 2024*

This information is provided in accordance with section 11A of the *Future Made in Australia Act 2024* (the Act).

During the 2025-26 reporting period, ANNPSR reviewed its obligations under the Act and legislative framework. ANNPSR did not provide or commit any Future Made in Australia support, as defined under the Act.

Accordingly, there are no reportable persons or entities, and the total amount of Future Made in Australia support provided or committed by ANNPSR during the reporting period is nil.

ANNPSR will continue to monitor its obligations and future requirements under the Act.

# Appendix H:
# Supplementary online material

**Table 28:** Additional online material

| Reference | Website |
|---|---|
| ANNPSR Annual Reports | annpsr.gov.au/corporate-information/corporate-publications |
| ANNPSR Audit and Risk Committee Charter | annpsr.gov.au/audit-risk-committee-charter |
| ANNPSR Freedom of Information | annpsr.gov.au/corporate-information/accessing-information/freedom-information |
| ANNPSR Freedom of Information Disclosure Log | annpsr.gov.au/corporate-information/accessing-information/freedom-information/foi-disclosure-log |
| ANNPSR Website | annpsr.gov.au |

**Table 29:** Reference websites and supporting documentation

| Reference | Website |
|---|---|
| AusTender | tenders.gov.au |
| Australian Public Service Commission | apsc.gov.au |
| Creative Commons | creativecommons.org.au |
| It's an Honour | pmc.gov.au/honours-and-symbols/australian-honours-system |
| Resource Management Guide 128 | finance.gov.au/government/managing-commonwealth-resources/regulator-performance-rmg-128 |
| Transparency Portal | transparency.gov.au |
| The Treasury | treasury.gov.au |

# Appendix I:
# Glossary of abbreviations and acronyms

| Abbreviation/ Acronym | Meaning |
|---|---|
| Accountable Authority | Under the PGPA Act, the person or group of persons responsible for, and in control of, a Commonwealth entity's operations |
| ADF | Australian Defence Force |
| ANNPS Act | *Australian Naval Nuclear Power Safety Act 2024* |
| ANNPSR | Australian Naval Nuclear Power Safety Regulator |
| APS | Australian Public Service |
| ARC | Audit and Risk Committee |
| AUKUS | Australia, United Kingdom and United States security partnership |
| Defence | Department of Defence |
| DG | Director-General |
| EL | Executive Level |
| FOI | Freedom of Information |
| GST | Goods and Services Tax |
| Licence | A written authorisation issued to an operator that allows the operator to carry out an operation legally |
| MoU | Memorandum of Understanding |
| NPS | Nuclear-powered submarine |
| Optimal Pathway | The pathway for Australia to safely and securely acquire conventionally-armed, nuclear-powered submarines |
| PBS | Portfolio Budget Statements |
| PGPA Act | *Public Governance, Performance and Accountability Act 2013* |
| PGPA Rule | Public Governance, Performance and Accountability Rule 2014 |
| RMG | Resource Management Guide issued by the Department of Finance |
| SES | Senior Executive Service |
| SSN | Conventionally-armed, nuclear-powered submarine |
| SSN-AUKUS | Future generation SSN delivered through the trilateral AUKUS program |

| Abbreviation/ Acronym | Meaning |
|---|---|
| UK | United Kingdom |
| US | United States |
| WHS Act | *Work Health and Safety Act 2011* |
| WHS | Work Health and Safety |

# Appendix J: List of figures and tables

## Figures

**Figure 1:** Organisational structure chart showing the Director-General at the top. Reporting directly to the Director-General are the Deputy Director-General, Office of Legal Counsel, and Regulations and Licensing Branch. Reporting to the Deputy Director-General are five branches: Office of the Director-General, Corporate Enabling Support, Engagement and Culture, Finance and Commercial, and Regulatory Framework 7

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# Appendix K: List of requirements

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| **17AD(g)** | **Letter of transmittal** | | |
| 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 |
| **17AD(h)** | **Aids to access** | | |
| 17AJ(a) | v | Table of contents (print only). | Mandatory |
| 17AJ(b) | 92–94 | Alphabetical index (print only). | Mandatory |
| 17AJ(c) | 79–80 | Glossary of abbreviations and acronyms. | Mandatory |
| 17AJ(d) | 83–91 | List of requirements. | Mandatory |
| 17AJ(e) | iii | Details of contact officer. | Mandatory |
| 17AJ(f) | iii | Entity's website address. | Mandatory |
| 17AJ(g) | iii | Electronic address of report. | Mandatory |
| **17AD(a)** | **Review by accountable authority** | | |
| 17AD(a) | 2–3 | A review by the accountable authority of the entity. | Mandatory |
| **17AD(b)** | **Overview of the entity** | | |
| 17AE(1)(a)(i) | 6 | A description of the role and functions of the entity. | Mandatory |
| 17AE(1)(a)(ii) | 7 | A description of the organisational structure of the entity. | Mandatory |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| 17AE(1)(a)(iii) | 8 | A description of the outcomes and programmes administered by the entity. | Mandatory |
| 17AE(1)(a)(iv) | 6 | A description of the purposes of the entity as included in corporate plan. | Mandatory |
| 17AE(1)(aa)(i) | 8 | Name of the accountable authority or each member of the accountable authority. | Mandatory |
| 17AE(1)(aa)(ii) | 8 | Position title of the accountable authority or each member of the accountable authority. | Mandatory |
| 17AE(1)(aa)(iii) | 8 | Period as the accountable authority or member of the accountable authority within the reporting period. | Mandatory |
| 17AE(1)(b) | 8 | 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 |
| **17AD(c)** | **Report on the performance of the entity** | | |
| | Annual performance statements | | |
| 17AD(c)(i); 16F | 12–19 | Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule. | Mandatory |
| **17AD(c)(ii)** | **Report on financial performance** | | |
| 17AF(1)(a) | 20–21 | A discussion and analysis of the entity's financial performance. | Mandatory |
| 17AF(1)(b) | 20–21 | A table summarising the total resources and total payments of the entity. | Mandatory |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| 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 |
| **17AD(d)** | **Management and accountability** | | |
| | Corporate governance | | |
| 17AG(2)(a) | iv | Information on compliance with section 10 (fraud and corruption systems). | Mandatory |
| 17AG(2)(b)(i) | iv | A certification by accountable authority that fraud and corruption risk assessments have been conducted and fraud and corruption control plans have been prepared. | Mandatory |
| 17AG(2)(b)(ii) | iv | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud and corruption that meet the specific needs of the entity are in place. | Mandatory |
| 17AG(2)(b)(iii) | iv | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud and corruption relating to the entity. | Mandatory |
| 17AG(2)(c) | 24 | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance. | Mandatory |
| 17AG(2)(d) – (e) | 25 | 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 |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| | Audit and Risk Committee | | |
| 17AG(2A)(a) | 26 | A direct electronic address of the charter determining the functions of the entity's audit committee. | Mandatory |
| 17AG(2A)(b) | 26–27 | The name of each member of the entity's audit committee. | Mandatory |
| 17AG(2A)(c) | 26–27 | The qualifications, knowledge, skills or experience of each member of the entity's audit committee. | Mandatory |
| 17AG(2A)(d) | 26–27 | Information about the attendance of each member of the entity's audit committee at committee meetings. | Mandatory |
| 17AG(2A)(e) | 26–27 | The remuneration of each member of the entity's audit committee. | Mandatory |
| | External scrutiny | | |
| 17AG(3) | 28 | Information on the most significant developments in external scrutiny and the entity's response to the scrutiny. | Mandatory |
| 17AG(3)(a) | 28 | 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) | 28 | 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 |
| | Management of human resources | | |
| 17AG(4)(a) | 28–29 | An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives. | Mandatory |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| 17AG(4)(aa) | 65–70 | Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following:<br>(a) statistics on full time employees<br>(b) statistics on part time employees<br>(c) statistics on gender<br>(d) statistics on staff location. | Mandatory |
| 17AG(4)(b) | 65–70 | Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:<br>• Statistics on staffing classification level<br>• Statistics on full time employees<br>• Statistics on part time employees<br>• Statistics on gender<br>• Statistics on staff location<br>• Statistics on employees who identify as Indigenous. | Mandatory |
| 17AG(4)(c) | 30 | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*. | Mandatory |
| 17AG(4)(c)(i) | 30 | 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) | 71 | The salary ranges available for APS employees by classification level. | Mandatory |
| 17AG(4)(c)(iii) | 29 | A description of non-salary benefits provided to employees. | Mandatory |
| 17AG(4)(d)(i) | 71 | 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 |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| 17AG(4)(d)(iv) | N/A | Information on aggregate amount of performance payments. | If applicable, mandatory |
| | Assets management | | |
| 17AG(5) | 30 | An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities. | If applicable, mandatory |
| | Purchasing | | |
| 17AG(6) | 31 | An assessment of entity performance against the Commonwealth Procurement Rules. | Mandatory |
| | Reportable consultancy contracts | | |
| 17AG(7)(a) | 31–32 | 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) | 31 | A statement that '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].' | Mandatory |
| 17AG(7)(c) | 31 | 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) | 31 | A statement that '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.' | Mandatory |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| | Reportable non-consultancy contracts | | |
| 17AG(7A)(a) | 32–33 | 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 |
| 17AG(7A)(b) | 32 | A statement that '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.' | Mandatory |
| **17AD(daa)** | **Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts** | | |
| 17AGA | 31 | Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts. | Mandatory |
| | Australian National Audit Office access clauses | | |
| 17AG(8) | 34 | 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 |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| | Exempt contracts | | |
| 17AG(9) | 34 | 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 |
| | Small business | | |
| 17AG(10)(a) | 34 | A statement that '[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.' | Mandatory |
| 17AG(10)(b) | 34 | An outline of the ways in which the procurement practices of the entity support small and medium enterprises. | Mandatory |
| 17AG(10)(c) | 34 | 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 |
| | Financial statements | | |
| 17AD(e) | 38–62 | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act. | Mandatory |

| PGPA Rule reference | Page | Description | Requirement |
|---|---|---|---|
| | Executive remuneration | | |
| 17AD(da) | 72–73 | Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule. | Mandatory |
| 17AD(f) | Other mandatory information | | |
| 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) | 35 | If the entity did not conduct advertising campaigns, a statement to that effect. | If applicable, mandatory |
| 17AH(1)(b) | 35 | 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) | 35 | Outline of mechanisms of disability reporting, including reference to website for further information. | Mandatory |
| 17AH(1)(d) | 35 | 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) | 35 | Correction of material errors in previous annual report. | If applicable, mandatory |
| 17AH(2) | 74–77 | Information required by other legislation. | Mandatory |

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