

Australian Government

Australian Submarine Agency

ASA

AUSTRALIAN SUBMARINE AGENCY ANNUAL REPORT

2025–26



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The Australian Submarine Agency acknowledges the Traditional Owners of Country throughout Australia and acknowledges their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the Elders past and present.

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The ASA's website is accessible via **asa.gov.au**. An electronic version of our annual report, along with supplementary information, may be accessed via **www.asa.gov.au/about/planning-reporting**. A copy is also available from the Australian Government Transparency Portal via **https://www.transparency.gov.au/publications?%24ContentType=annual_report|report_chapter|report_sections**.

Australian Government

Australian Submarine Agency

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

Dear Deputy Prime Minister

I am pleased to present the annual report of the Australian Submarine Agency (ASA) for the financial year 2025–26.

This report has been prepared for the purposes of section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which requires that an annual report be given to the entity's responsible Minister for presentation to the Parliament.

This report includes the ASA's audited annual financial statements as required by subsection 43(4) of the PGPA Act. It also includes the ASA's 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:

- the Agency prepared fraud and corruption risk assessments and fraud and corruption control plans
- the Agency had appropriate mechanisms to prevent, detect, investigate, record and confidentially report suspected fraud and corruption
- I took all reasonable measures to appropriately deal with fraud and corruption relating to the Agency.

Yours sincerely

Vice Admiral Jonathan Mead AO RAN
Director-General Australian Submarine Agency
9 October 2026



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Director-General ASA, Vice Admiral Jonathan Mead, AO, RAN, speaks to the press during a tri-lateral press conference held at HMAS *Stirling*, Western Australia. Image: Department of Defence.



Director-General's Review



Director-General's Review

The ASA continued to advance the Optimal Pathway throughout 2025–26, progressing key milestones and strengthening the sovereign foundations required to deliver Australia's future conventionally-armed nuclear-powered submarine (SSN) capability through the AUKUS partnership.

Against this backdrop, the ASA achieved significant progress throughout 2025–26. The ASA personnel worked closely with AUKUS partners, the Australian Government, state, territory and local governments, industry, academia, and the Australian Defence Force (ADF) to accelerate delivery across all aspects of the Nuclear-Powered Submarines (NPS) Program.

Throughout the year, ASA personnel collaborated with stakeholders across Australia, the United Kingdom (UK) and the United States (US) to advance shared priorities and strengthen the workforce, infrastructure, industrial capability and regulatory frameworks required to support Australia's future sovereign submarine enterprise.

The NPS Program remains one of the most significant defence and industrial undertakings in our nation's history. It is a truly whole-of-nation endeavour, requiring close collaboration across governments, industry, academia, regulators, communities and our international partners.

The 2026 National Defence Strategy reaffirmed the need for Australia to acquire an SSN capability to deter conflict and keep Australians safe in an increasingly contested strategic environment.

Key achievements in our third year included:

- successful delivery of 2 scheduled Submarine Maintenance Periods (SMPs) at HMAS *Stirling*, including USS *Vermont* and HMS *Anson*, with the latter marking the first maintenance period conducted on a Royal Navy nuclear-powered submarine in Australia
- implementation of Australia's AUKUS Submarine Industry Strategy including the award of 26 prototyping contracts to Australian suppliers, progression of 12 Australian companies through the Australian Submarine Supplier Qualification Program, and the qualification of HIFraser as the first Australian company approved to supply components into the US Virginia class submarine supply chain
- continued delivery of the Nuclear-Powered Submarine Construction Yard at Osborne, supported by the Australian Government's significant investment in critical shipyard infrastructure
- continued delivery of expansion at HMAS *Stirling* to support the scale of infrastructure

required for nuclear-powered submarines – both for visiting and rotational submarines and for Australia's own conventionally-armed, nuclear-powered submarines

- commencement of construction of the Skills and Training Academy at Osborne, a critical investment that will support up to 1,000 learners annually from 2028 and help to develop the workforce required across the submarine enterprise
- achievement of key regulatory and licensing milestones supporting infrastructure development, sovereign regulatory readiness and future nuclear-powered submarine operations in Australia
- continued development of sovereign expertise and experience, including 200 RAN personnel undertaking naval nuclear propulsion training, 238 Australia's Submarine Company (ASC Pty Ltd) personnel participating in training at Pearl Harbor Nuclear Submarine Yard (PHNSY), and 70 Australian submariners serving aboard US Virginia class submarines
- strengthened engagement with communities, industry, First Nations stakeholders, local governments and educational institutions, including through the opening of the Western Australia Submarine Discovery Centre in Rockingham, to support understanding of the NPS Program and its contribution to Australia's security and prosperity.

Working with our partners to deliver the Optimal Pathway

A major focus throughout the year was preparing Australia for the commencement of Submarine Rotational Force-West (SRF-West) in 2027. The ASA achieved substantial progress across infrastructure, workforce development, sustainment planning and operational integration, ensuring Australia remains on track for commencement from 2027.

Increasingly complex visits and activities involving UK and US submarines at HMAS *Stirling* continued to build Australia's experience and capability in the safe stewardship, operation and maintenance of nuclear-powered submarines.

The ASA worked in partnership with Defence and other Australian Government stakeholders, industry, academia and our AUKUS counterparts to advance all 3 phases of the Optimal Pathway – the plan for Australia's acquisition of an SSN capability.

Industrial integration with our AUKUS partners accelerated throughout the year, including the establishment of a new Supply Chain Qualification Program by our industry partners ASC Pty Ltd and BAE Systems in April 2026. This program provides Australian businesses with pathways to participate in both the

Australian and the UK SSN-AUKUS build programs, strengthening sovereign industrial capability across the AUKUS partnership.

As Australia's sovereign capability continues to mature, these partnerships remain fundamental to ensuring a safe, secure and seamless transition to a conventionally-armed nuclear-powered submarine capability.

With support from our AUKUS counterparts, the ASA engaged openly and transparently with the International Atomic Energy Agency (IAEA), reinforcing Australia's longstanding reputation as a responsible steward of naval nuclear propulsion technology and a global leader in nuclear non-proliferation.

Investing in industrial capability

During 2025-26, the ASA further strengthened the industrial foundations required to deliver Australia's future submarine capability. Building on progress made under Australia's AUKUS Submarine Industry Strategy, the Agency supported Australian businesses to access opportunities within Australian, UK and US submarine enterprises.

Through initiatives such as the Defence Industry Vendor Qualification and Australian Submarine Supplier Qualification Programs, Australian companies are increasingly positioning themselves to contribute to one of the most significant industrial undertakings in the nation's history.

These efforts are helping to create enduring sovereign industrial capability and opening pathways for Australian businesses to participate in trilateral submarine programs for decades to come.

In November 2025, HIFraser was recognised as the first Australian company qualified to supply valve and pipe fitting components into the US Virginia class submarine supply chain.

In May 2026, Lockheed Martin Australia was selected as the preferred Combat System Integration Partner for Australia's future fleet of sovereign Virginia class submarines, marking another major step for the NPS Program.

Significant progress was also made in delivering the infrastructure investments necessary to support Australia's nuclear-powered submarine enterprise. Across South Australia and Western Australia, major investments continued in shipyard, sustainment, training and support facilities that will underpin the construction, operation and sustainment of Australia's future submarine fleet.

This included continued development of the Nuclear-Powered Submarine Construction Yard in Osborne, progress on infrastructure at HMAS *Stirling*, the uplift of the Henderson Defence Precinct and commencement of construction of the Skills and Training Academy.

Investing in our people

Our people remain the foundation of the ASA's success. Across our growing enterprise, Australian Public Service (APS) employees, ADF personnel and industry partners continue to develop the skills and expertise required to deliver an unprecedented capability in Australia.

By 30 June 2026, the ASA combined workforce had grown to 1034, with 922 APS employees and 112 ADF personnel. I am particularly proud of the professionalism and dedication of our people, many of whom continue to undertake work without precedent in Australia.

Throughout the year, Royal Australian Navy (RAN) personnel, APS employees and industry representatives continued education, training and qualifications across Australia, the UK and the US. These investments are building the sovereign workforce required to safely operate, regulate, construct and sustain Australia's future nuclear-powered submarines.

The ASA continues to embed a culture of professionalism, collaboration, accountability and a strong Nuclear Mindset. These principles guide every aspect of our work and reinforce our commitment to the highest standards of safety, security and stewardship.

Nuclear stewardship remained central to all aspects of the NPS Program. Working closely with regulators, including the Australian Naval Nuclear Power Safety Regulator (ANNPSR), and engaging transparently with international partners, we advanced the frameworks required to uphold the highest standards of safety, security and non-proliferation.

Through ongoing engagement activities across Australia, we continued to build awareness and understanding of the NPS Program and its long-term benefits for Australia's security, workforce and economy. Maintaining trust and confidence remains fundamental to the successful delivery of Australia's NPS Program.

During 2025-26, the ASA strengthened engagement with communities, industry, First Nations stakeholders, local and state governments and educational institutions, building understanding of the NPS Program's security, economic and workforce benefits while demonstrating progress against key milestones. These efforts support the long-term acceptance required to deliver this whole-of-nation endeavour.

The ASA delivered against key milestones during 2025–26 and remains on track to support implementation of the Optimal Pathway.

None of this progress would be possible without the dedication of our people and the contribution of our partners across government, industry, academia and the broader Defence enterprise. Together, we are laying the foundations for a sovereign nuclear-powered submarine capability that will strengthen Australia's security and contribute to national prosperity for generations to come.

I extend my sincere thanks to all ASA personnel and our partners. Your professionalism, collaboration and commitment continue to drive this national endeavour forward.

Vice Admiral Jonathan Mead AO RAN
Director-General Australian Submarine Agency

Three years of progressing the Optimal Pathway

ASA's third year of operation has been its most significant year to date, as delivery of Australia's SSN capability under the AUKUS partnership continued to gather pace.

The year was characterised by growing momentum across operations, workforce development and international cooperation as preparations intensified for the commencement of SRF-West in 2027, the first phase under NPS Program.

Director-General of the ASA, Vice Admiral Jonathan Mead AO RAN, said the Agency's third year reflected a clear transition in the maturity of the NPS Program.

> The ASA's third year of operation has reflected a clear shift from establishing the foundations to delivering capability across one of the most complex national endeavours Australia has ever undertaken.

A major focus during the year was preparing for the commencement of SRF-West in 2027. In support of this effort, two SMPs were successfully completed at HMAS *Stirling*, Western Australia. Both activities were historic in their own right, marking the first time a US nuclear-powered submarine had undergone a maintenance period in Australia without a US support ship, and the first-ever maintenance activity conducted on a UK nuclear-powered submarine in Australia during HMS *Anson's* visit.

Together, these activities represented a significant step in Australia's readiness to safely operate, maintain and steward SSNs.

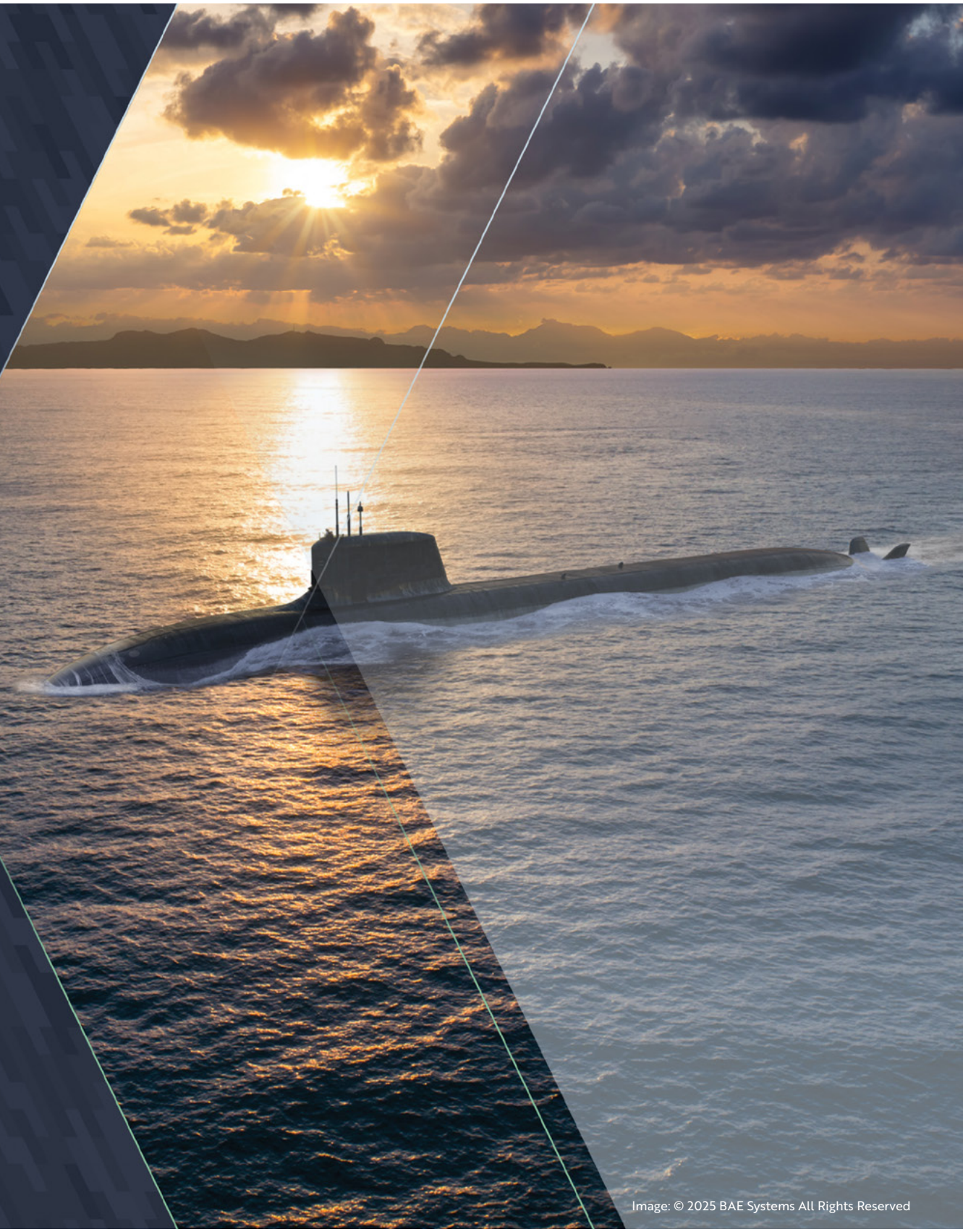
International cooperation continued to deepen throughout the year. The signing of the Geelong Treaty strengthened long-term cooperation between Australia and the UK on SSN-AUKUS, while the AUKUS Defence Ministers' meeting in Singapore in May 2026 reaffirmed the three nations' shared commitment to delivering the AUKUS partnership, through the Optimal Pathway.

Australians across the Department of Defence (Defence), government and industry continued to build the skills and experience required to support the nation's future submarine capability. From RAN personnel training and serving alongside their US counterparts to ASC Pty Ltd workers undertaking maintenance training at PHNSY, Australians continued to gain hands-on experience across the nuclear-powered submarine enterprise.

Australian industry also gained greater access to opportunities across the AUKUS partnership. During the year, the ASA hosted its inaugural Technical Data Sharing Days, providing Australian companies with unprecedented access to submarine-related technical information. The AUKUS National Supply Chain Conference brought together government, industry and international partners to strengthen supply chain integration and prepare Australian businesses for future opportunities.

The year also saw continued investment in Australia's future workforce, including the launch of the Propel Scholarship Program, supporting the next generation of science, technology, engineering and mathematics professionals needed to sustain the enterprise for decades to come.

As the Agency enters its fourth year of operation, it remains focused on preparing Australia to safely operate, maintain and steward conventionally armed, nuclear-powered submarines and deliver the next phase of the AUKUS Optimal Pathway.


Image: © 2025 BAE Systems All Rights Reserved



Osborne Naval Shipyard in South Australia. Image: Australian Naval Infrastructure.



2

Australian Submarine Agency Overview

Our role, functions and purposes

The ASA was established on 1 July 2023 to manage and oversee the safe and secure delivery of Australia's NPS Program. To do this, the ASA will safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's nuclear-powered submarines. The ASA is a non-corporate Commonwealth entity for the purposes of the PGPA Act.

During 2025–26, the ASA had 2 key activities to ensure delivery of the NPS Program:

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

The ASA purposes are listed in Schedule 1 of the PGPA Rule, and include:

- managing and overseeing the acquisition, construction, delivery, sustainment, technical governance, maintenance and disposal of nuclear-powered submarines
- managing and executing trilateral engagement for the NPS Program, with the exception of submarine operations
- giving strategic, policy and legal advice about the NPS Program to the responsible Minister for the ASA
- managing NPS Program strategy, risk, resourcing, scheduling, legal issues and budgeting
- ensuring that the NPS Program is aligned with the international relations, defence, national security and other national strategies and policies of the Australian Government
- working with Defence, the Department of Foreign Affairs and Trade (DFAT) and the Australian Safeguards and Non-Proliferation Office (ASNO) to develop and implement safeguard arrangements as agreed between Australia and the IAEA
- establishing other international agreements and arrangements, and working with Australian, state and territory agencies, to support the implementation of the NPS Program
- setting program and technical requirements and standards across all phases of the capability lifecycle
- developing and implementing domestic nuclear policy and legislation to support naval nuclear propulsion, in consultation with Australian, state and territory agencies that have functions or responsibilities relating to nuclear activities
- establishing the necessary governance arrangements, processes and agreements to acquire, construct, deliver, sustain and dispose of nuclear-powered submarines
- gaining and maintaining licences and authorisations from nuclear and non-nuclear regulatory bodies to conduct activities.

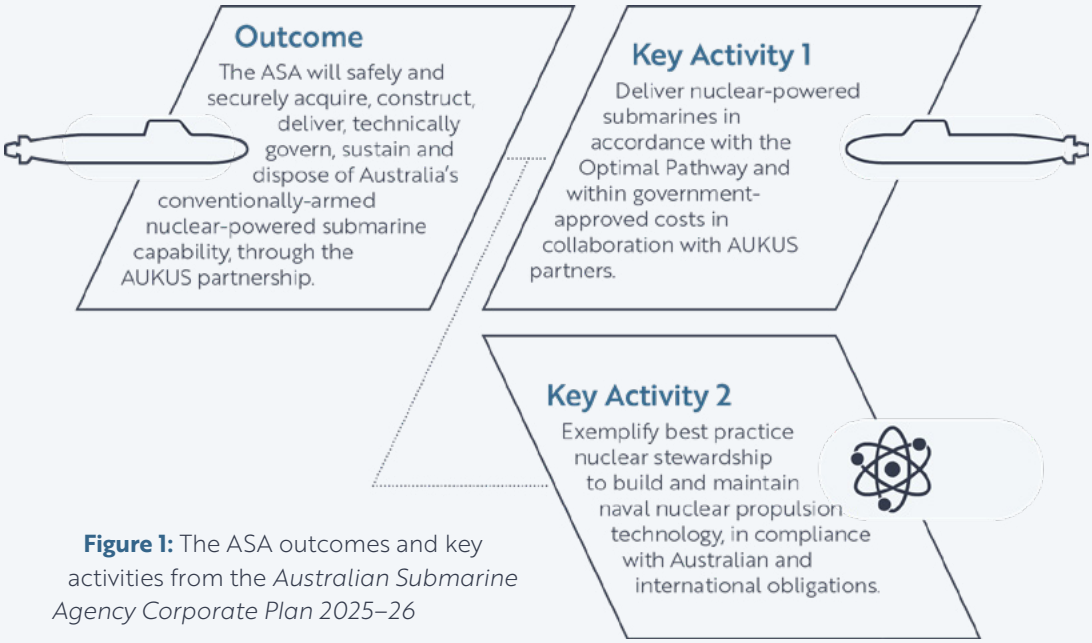


Figure 1: The ASA outcomes and key activities from the *Australian Submarine Agency Corporate Plan 2025–26*

Portfolio structure

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

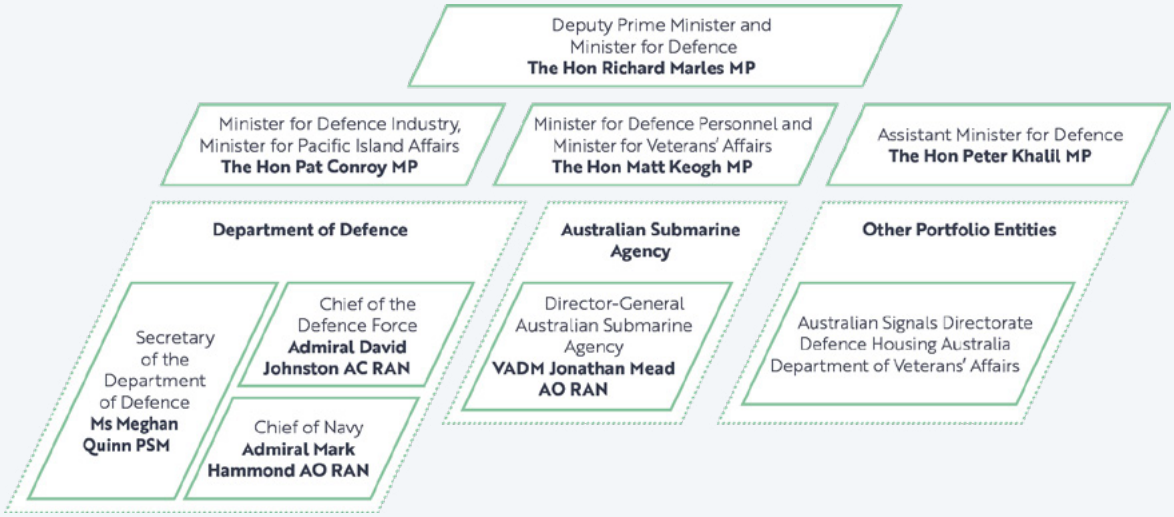


Figure 2: Defence Portfolio structure as at 30 June 2026



Figure 3: ASA organisation structure as at 30 June 2026

Changes in senior leadership

During 2025–26, the Agency undertook to clarify the organisation structure, management arrangements and accountabilities across all divisions. Additionally, the following Senior Executive Service (SES) appointments were made.

12 January 2026 Ms Alexandra Kelton was appointed Deputy Director-General Strategy

27 January 2026 Mr Dave Johnson was appointed Deputy Director-General Nuclear Submarine Acquisition and Sustainment

Accountable Authority

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

Name	Position Held	Period as the accountable authority or member within the reporting period	
		Start date	End date
Vice Admiral Jonathan Mead, AO RAN	Director-General	1 July 2025	–



Image: ASC Pty Ltd.



A RAN Clearance Diver exits the water during a joint training exercise conducted as part of Submarine Maintenance Period 25 at HMAS *Stirling*, Western Australia. Image: Department of Defence.



Australia's divers put new skills into practice

During 2025, 8 RAN clearance divers completed 5 months of specialised training at PHNSY and Intermediate Maintenance Facility in Hawaii, becoming the first Australians trained to undertake advanced underwater maintenance and diver operations on US Virginia class submarines.

Upon returning to Australia, the divers immediately put their training into practice during USS *Vermont's* SMP at HMAS *Stirling*, working alongside US Navy dive teams. Australian divers served as lead or secondary divers for all underwater maintenance activities conducted during the maintenance period, demonstrating capabilities that had not previously existed in Australia.

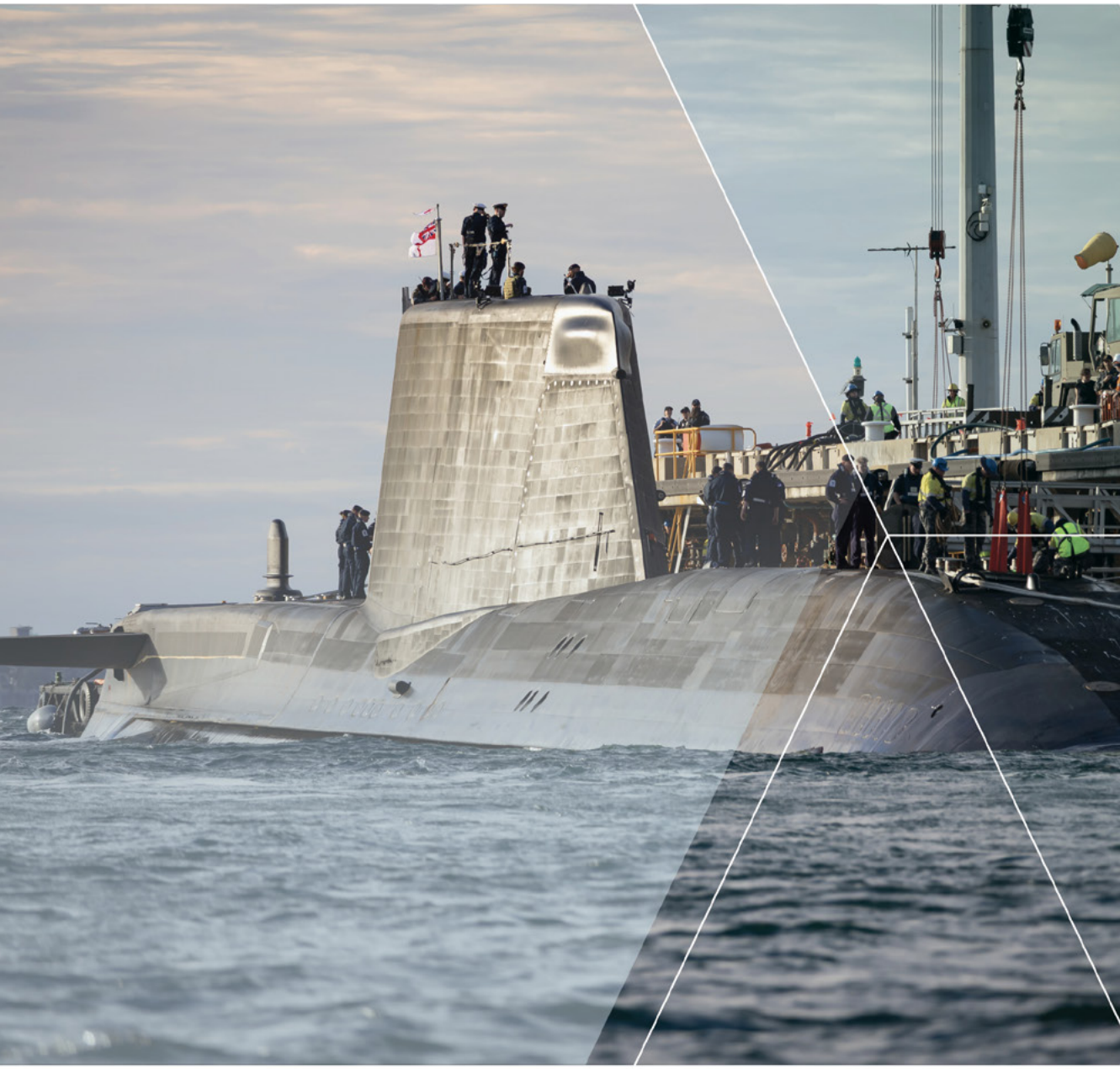
Officer in Charge of Underwater Salvage Repair at Clearance Diving Team 4 said the maintenance period showcased Australia's growing ability to support conventionally armed, nuclear-powered submarines.

One of Australia's RAN clearance divers said that being able to demonstrate newly acquired skills in home waters highlights a key achievement in the scheduled maintenance period and Australia's ability to work on conventionally-armed, nuclear powered submarines.

The training and subsequent maintenance activities marked an important step in developing the sovereign skills required to support SRF-West and Australia's future conventionally armed, nuclear-powered submarine capability.

During their time at Pearl Harbor, the divers completed hundreds of maintenance tasks and gained experience operating alongside US Navy personnel, building the expertise required to support future submarine operations in Australia.

As Australia prepares for SRF-West in 2027, initiatives such as this are developing the skilled workforce needed to safely maintain and sustain nuclear-powered submarines while strengthening interoperability across the AUKUS partnership.



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



3

Performance Reporting

Statement of preparation

As the accountable authority of the ASA, I present the 2025–26 Annual Performance Statements as required under paragraph 39(1)(a) and (b) of the PGPA Act. In my opinion, the Annual Performance Statements accurately present the entity's performance in the reporting period, and comply with subsection 39(2) of the PGPA Act.

Vice Admiral Jonathan Mead AO RAN
Director-General Australian Submarine Agency
9 October 2026

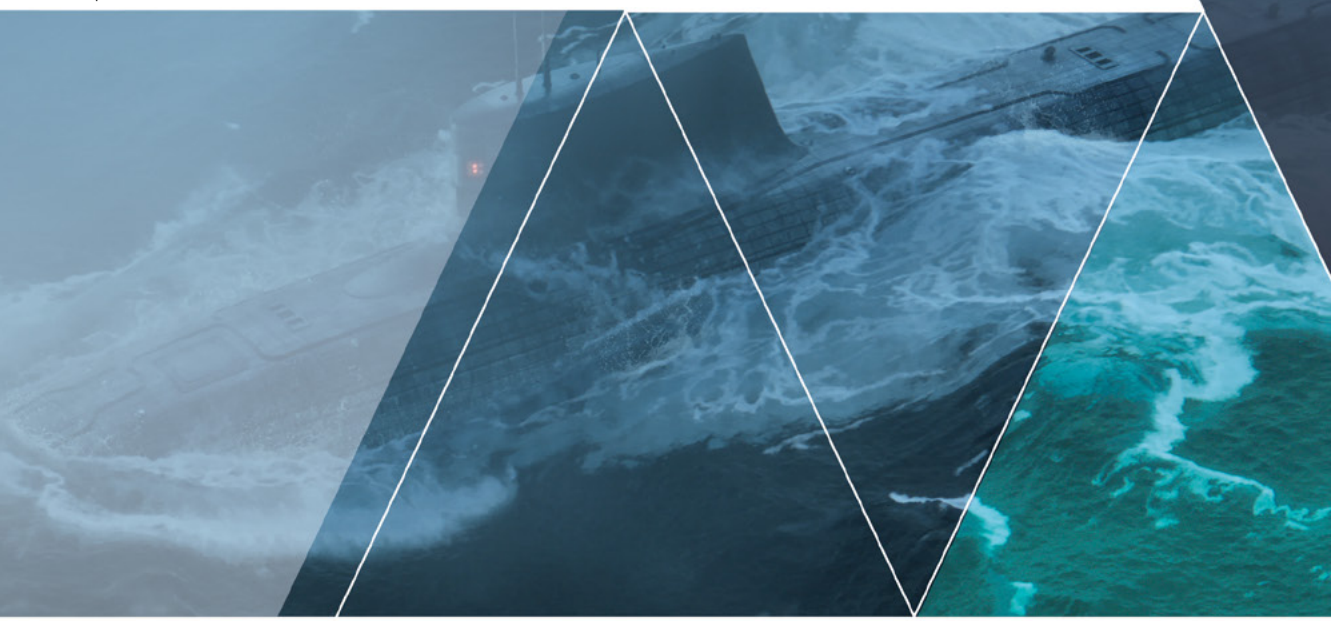


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Introduction

The Annual Performance Statements provide an assessment of the ASA's performance against the measures and targets published in the *Australian Submarine Agency Corporate Plan 2025–26* and the 2025–26 Defence Portfolio Budget Statements, for the period of 1 July 2025 to 30 June 2026. These statements assess the Agency's performance in delivering its purpose of managing and overseeing the safe and secure delivery of Australia's NPS Program.

The Agency assessed performance against 7 performance measures comprising 12 targets. Results were assessed using the methodologies and assessment criteria documented in the Agency's Performance Measure Library.

There were no changes to the Agency's purpose or key activities that materially affected its ability to deliver against its purpose during the reporting period. As the NPS Program matured, refinements were made to aspects of workforce, maintenance and infrastructure planning to reflect updated assumptions and emerging requirements. These changes informed delivery approaches but did not materially affect the methodologies used to report against the performance measures and targets or overall NPS Program outcomes.

Overall Performance Assessment

The ASA continued to make significant progress in delivering Australia's NPS Program during 2025–26. Performance results demonstrate progress across all phases of the Optimal Pathway, including infrastructure development, workforce growth, international engagement, safeguards implementation, stewardship capability development and mobilisation of the future SSN-AUKUS program.

Of the Agency's 7 performance measures, 4 were assessed as Achieved and 3 were assessed as Substantially Achieved.

Overall, the Agency considers its performance during 2025–26 demonstrates effective progress towards its purpose of managing and overseeing the safe and secure delivery of Australia's NPS Program.

Performance summary

For the 2025–26 reporting period, the ASA has assessed Performance Measures 3, 4, 5 and 7 as Achieved, and Performance Measures 1, 2 and 6 as Substantially Achieved.

The ASA's Performance Measure Library outlines how it will determine its overall achievement against each performance measure where that measure has more than one target. In such cases, the ASA has determined that each target has equal weight in the overall assessment for that performance measure, with overall performance determined by the ASA assigning a numerical value to each achievement criteria (Achieved, Substantially Achieved, Partially Achieved, and Not Achieved) and then calculated the average of those values.

Table 2: ASA performance summary, 2025–26

1

Phase 1: Establish infrastructure and capabilities to support increased visits of US and UK SSN to Australia and the rotational presence of US and UK SSN in Western Australia.

2025–26 result
Substantially Achieved

Target 1.1
Manage and oversee the development of Australian workforce ability to conduct intermediate maintenance of visiting SSN at HMAS *Stirling*.

2025–26 result
Substantially Achieved

Target 1.2
Manage and oversee the commencement of construction of facilities and infrastructure to enable the US and UK to rotate through HMAS *Stirling*.

2025–26 result
Substantially Achieved

2

Phase 2: Deliver three Virginia class submarines.

2025–26 result
Substantially Achieved

Target 2.1
Continue to manage and oversee the procurement of Virginia class specific training support systems.

2025–26 result
Substantially Achieved

Target 2.2
Progress acquisition of a Contingency Dock Capability.

2025–26 result
Achieved

Target 2.3
Continue to build, and maintain, a system for workforce development capability to obtain suitably qualified, skilled, and experienced personnel to deliver the NPS Program to the highest standards of safety, security, and safeguards.

2025–26 result
Substantially Achieved

3

Phase 3: Deliver Australian-built SSN-AUKUS, including infrastructure development at the Osborne Submarine Construction Yard.

2025–26 result
Achieved

Target 3.1
Manage and oversee the mobilisation of the SSN-AUKUS program.

2025–26 result
Achieved

Target 3.2
Manage and oversee the development of the Submarine Construction Yard.

2025–26 result
Achieved

Target 3.3
Implement Australia's AUKUS Submarine Industry Strategy.

2025–26 result
Achieved

4

Establish or refine any international arrangements required to implement the Nuclear-Powered Submarine Program and sustain trilateral engagement.

2025–26 result
Achieved

Target 4.1

Continue to establish and refine required international arrangements or agreements necessary to implement the Nuclear-Powered Submarine Program and sustain trilateral engagement.

2025–26 result
Achieved

5

Develop and implement safeguards arrangements as agreed between Australia and the IAEA.

2025–26 result
Achieved

Target 5.1

In consultation with the Australian Safeguards and Non-Proliferation Office, the Department of Foreign Affairs and the Attorney-General's Department, engage with the IAEA on the development of Australia's nuclear non-proliferation and safeguards approach.

2025–26 result
Achieved

6

Set program and technical requirements and standards for nuclear-powered submarine capability across all capability life-cycle phases.

2025–26 result
Substantially Achieved

Target 6.1

Embed Australian personnel into the UK and US in order to build nuclear competency in the Australian Nuclear-Powered Submarines Enterprise.

2025–26 result
Substantially Achieved

7

Establish stewardship capabilities to support the introduction of naval nuclear propulsion technology to Australia.

2025–26 result
Achieved

Target 7.1

Continue to identify and progress the necessary nuclear-related domestic regulatory and government approvals for all phases of the Optimal Pathway.

2025–26 result
Achieved

Key Activity 1

Deliver nuclear-powered submarines in accordance with the Optimal Pathway and within government approved costs in collaboration with AUKUS partners.

Table 3: Performance Measure 1 outcome and analysis, 2025–26

Performance Measure 1 Phase 1: Establish infrastructure and capabilities to support increased visits of US and UK SSN to Australia and the rotational presence of US and UK SSN in Western Australia.	**Substantially Achieved**
Targets	**2025–26 result**
Target 1.1: Manage and oversee the development of Australian workforce ability to conduct intermediate maintenance of visiting SSN at HMAS *Stirling*.	Substantially Achieved
Target 1.2: Manage and oversee the commencement of construction of facilities and infrastructure to enable the US and UK to rotate through HMAS *Stirling*.	Substantially Achieved
Reference	
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Analysis

In 2025–26, the ASA **substantially achieved** its intended performance against this measure. The ASA **substantially achieved** Target 1.1 and **substantially achieved** Target 1.2.

Target 1.1 was substantially achieved. During 2025–26, the ASA continued its work to manage and oversee the development of Australian workforce ability to conduct in-water maintenance of visiting SSNs at HMAS *Stirling*. Australian maintenance workforce capability was successfully demonstrated through meeting Intermediate Level Maintenance (ILM) training targets and the delivery of in-water maintenance[1] during SSN visits in 2025–26.

The maintenance workforce continued to be recruited and trained throughout the period with 238 workforce on deployment. As at 30 June 2026, 18 of these industry workers who returned to Australia have completed all training. The development of the Australian workforce is on track to meet Initial Operating Support (IOS) requirements. In addition, 8 RAN clearance divers became the first Australians qualified to undertake advanced underwater maintenance and diver operations on US Virginia class submarines. Subsequently, applying these skills during USS *Vermont's* SMP at HMAS *Stirling* in support of Australia's readiness for SRF-West.

During 2025–26, 2 SMPs were conducted at HMAS *Stirling*. The most recent SMP demonstrated the interoperability of a UK SSN and progressed their relevant capability milestones. For this SMP, the maintenance work included over 620 hours of trilateral uniformed workforce effort, and 17 Australian businesses contributed to the activity, producing 34 locally manufactured components and delivering more than 2,500 hours of industry support.

1 In-water maintenance requires expertise beyond the ship's crew, but does not require the docking of a vessel or an extended refit. There are 3 levels of maintenance for Navy vessels: (1) Organic (ships' crew tasking – simple maintenance like changing oil/replacing O-rings etc.); (2) Intermediate (as discussed above – in the SSN context, using PHNSY Lead Maintenance Activity and ASC Pty Ltd personnel support); (3) Depot-level maintenance (e.g. major and lengthy maintenance overhaul conducted in a dock at Henderson).

Performance Measure 1 Phase 1: Establish infrastructure and capabilities to support increased visits of US and UK SSN to Australia and the rotational presence of US and UK SSN in Western Australia.	Substantially Achieved

In doing so, Australia was able to effectively demonstrate its ability to safely and securely conduct submarine maintenance support to a visiting UK Astute class SSN in Australia. These achievements contributed to the delivery of key AUKUS Pillar I milestones and supported assessment by AUKUS Defence Ministers in May 2026 that implementation remains on track to support Australia's acquisition of SSN capability.

During the reporting period, the ASA developed the Maintenance Support Concept of Operation and progressed the Maintenance Capability Delivery Plan, setting out how the IOS capabilities will be demonstrated in 2027. The finalisation of the Maintenance Capability Delivery Plan will further complement the current plans to provide a holistic view of maintenance delivery across the various key timelines of Phase 1.

Having developed this baseline, the ASA will continue to engage with its Australian industry partners who are critical to developing Australia's ability to conduct intermediate maintenance of UK and US SSNs at HMAS *Stirling* on a rotational presence.

Target 1.2 was substantially achieved. The ASA managed and oversaw the completion of design development and commencement of construction of facilities and infrastructure to enable the UK and the US to rotate through HMAS *Stirling* from 2027. In 2025–26, construction commenced on the majority of priority works required to support the SRF-West, including maritime and landside facilities. Construction of the Controlled Industrial Facility requires further design refinement with agreed interim arrangements developed for an initial capability until the enduring facility is operational.

The progression of works has contributed to trilateral partner confidence in Australia's commitment and capacity to achieve the Optimal Pathway, and has delivered material uplift in existing capabilities at HMAS *Stirling* (such as security, crew training and emergency preparedness and response). Together, these works will provide the required infrastructure to support a rotational presence of UK and US SSNs in Western Australia, as well as to support Australia's future SSN. The ASA is continuing to collaborate with Defence on future tranches of work required to continue the capability uplift over the coming decade.

Table 4: Performance Measure 2 outcome and analysis, 2025–26

Performance Measure 2 Phase 2: Deliver three Virginia class submarines.	Substantially Achieved
Targets	**2025–26 result**
Target 2.1: Continue to manage and oversee the procurement of Virginia class specific training support systems.	Substantially Achieved
Target 2.2: Progress acquisition of a Contingency Dock Capability.	Achieved
Target 2.3: Continue to build, and maintain, a system for workforce development capability to obtain suitably qualified, skilled, and experienced personnel to deliver the NPS Program to the highest standards of safety, security, and safeguards.	Substantially Achieved

Performance Measure 2 Phase 2: Deliver three Virginia class submarines.	Substantially Achieved
Reference	
Australian Submarine Agency Corporate Plan 2025–26	Page 15
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Analysis

In 2025–26, the ASA **substantially achieved** its intended performance against this measure. The ASA **substantially achieved** Targets 2.1 and 2.3, and **achieved** Target 2.2.

Target 2.1 was substantially achieved. The procurement, packaging and shipping preparation for Virginia class specific training support systems through arrangements with suppliers from the US enabled this outcome. The ASA ensured that 14 of 16 required training support systems for SRF-West IOS were prepared for shipment to Australia in 2026–27. Two systems required for SRF-West IOS are to be delivered by utilising existing RAN training systems on HMAS *Stirling*.

Delivering the training support systems will enable achievement of critical milestones to support the initial arrival of rotating US Virginia class SSNs to HMAS *Stirling*, and begin the delivery of an Australian Virginia class SSN Support System. A Virginia class SSN Support System is a key part of the delivery of sovereign Virginia class SSNs, and will ensure that Australia is able to effectively sustain and operate the capability.

Target 2.2 was achieved. The ASA continued to define an initial plan for an SSN depot maintenance capability, principally through design of a Contingency Dry Dock Capability (CDDC). Australia is required to have a capability to undertake emergent (contingency) out-of-water repairs and maintenance for its nuclear-powered submarines in advance of a depot-level maintenance capability at Henderson, Western Australia.

The first step for preparing for the CDDC was to determine a pathway for its design. In June 2026, the ASA entered into a contract with Leidos Gibbs and Cox Australia to undertake design services for a CDDC. Following this step, delivery of the preliminary design also commenced. Once design maturity has been reached, the ASA will engage with a suitable shipyard to undertake the construction and testing of the CDDC.

Target 2.3 was substantially achieved. The strong progress in 2025–26 towards establishing workforce development pathways and capability-building mechanisms to support the growing nuclear-powered submarine workforce has enabled this outcome. Commencement of the majority of planned workforce development initiatives has established a solid foundation for future workforce growth, capability development and long-term workforce sustainability.

ASA contributed to the result by progressing key workforce initiatives, including:

- commencement of tender activities for the Non-Destructive Testing and Welding Aptitude initiatives
- establishing the International Placement Office (IPO) to support workforce development and international training opportunities
- continuing workforce pilot initiatives, including Defence Industry Pathways, Shipbuilding Employment Pathways and Train the Trainer programs
- maturing of workforce data planning and analysis functionality within the agency.

Performance Measure 2 Phase 2: Deliver three Virginia class submarines.	Substantially Achieved

Collaboration with industry, training providers and government stakeholders enabled the successful delivery of workforce development initiatives, while broader labour market conditions and specialist skills availability influenced implementation outcomes. The ASA will continue to strengthen strategic partnerships, expand workforce development initiatives and leverage the ASA IPO to enhance workforce capability and training opportunities.

The successful commencement of the majority of planned initiatives demonstrates effective program management and stakeholder engagement, contributing to a stronger and more sustainable workforce pipeline.

Table 5: Performance Measure 3 outcome and analysis, 2025–26

Performance Measure 3 Phase 3: Deliver Australian-built SSN-AUKUS, including infrastructure development at the Osborne Submarine Construction Yard.	Achieved
Targets	**2025–26 result**
Target 3.1: Manage and oversee the mobilisation of the SSN-AUKUS program.	Achieved
Target 3.2: Manage and oversee the development of the Submarine Construction Yard.	Achieved
Target 3.3: Implement Australia's AUKUS Submarine Industry Strategy.	Achieved
Reference	
Australian Submarine Agency Corporate Plan 2025–26	Page 15
2025–26 Defence Portfolio Budget Statements	Page 198

Analysis

In 2025–26, the ASA **achieved** its intended performance against this measure. The ASA **achieved** Targets 3.1, 3.2 and 3.3.

Target 3.1 was achieved. Successful ongoing mobilisation of the Australian Shipbuilder (ASB) (comprising the Australian Sovereign Submarine Build Partners, ASC Pty Ltd and British Aerospace (BAES)) enabled the outcome of this measure.

During 2025–26, The ASA and ASB entered into additional tasking statements to drive shipbuilder mobilisation under the tripartite Nuclear-Powered Program Mobilisation Deed. These tasking statements underpin the ongoing mobilisation effort in which ASB develops detailed program plans and schedules, implements early workforce initiatives, and undertakes production demonstration activities critical for the success of the Australian SSN-AUKUS program.

Performance Measure 3 Phase 3: Deliver Australian-built SSN-AUKUS, including infrastructure development at the Osborne Submarine Construction Yard.	Achieved

Target 3.2 was achieved. The completion of a series of critical milestones pertaining to enabling works and regulatory approvals that were needed to deliver the Nuclear-Powered Submarine Construction Yard supported the achievement of this measure.

The ASA played a leading role in enabling the Nuclear-Powered Submarine Construction Yard at Osborne, SA, to commence through delivery of the *Environment Protection and Biodiversity Conservation Act 1999* Strategic Assessment. The ASA also worked closely with Australian Naval Infrastructure to optimise sequencing of works, funding and regulatory approvals to remove barriers to construction and ramp up of construction works over future reporting periods.

The ASA was dependent on many third parties across multiple levels of government (e.g. regulatory bodies) and industry (e.g. construction contractors), which were critical to the achievement of this work.

Target 3.3 was achieved. The delivery and formal endorsement of implementation plans for the 5 critical lines of effort set out in Australia's AUKUS Submarine Industry Strategy enabled the outcome of this measure.

This strategy outlines the plan to uplift Australia's military and industrial capability, under the timeframes of the Optimal Pathway. It identifies the conditions to develop the sovereign industrial capability needed to deliver, operate and sustain our future conventionally-armed nuclear-powered submarines, while also ensuring our existing Collins class submarines are sustained and upgraded until their eventual withdrawal from service. The 5 critical lines of effort set out within this strategy are:

- creating demand clarity for industry
- boosting investment attractiveness in critical areas
- simplifying regulation
- growing the skilled workforce
- integrating Australian industry into the UK and the US supply chains.

In 2025–26, the ASA developed Industry Strategy Implementation Plans (ISIPs) against each of these 5 lines of effort to provide tangible detail on how existing and newly announced industrial uplift initiatives will be delivered. Throughout 2025–26, these ISIPs were consulted through the Industry Interdepartmental Committee (IDC) to ensure cross-government consultation and accountability for the ISIPs. Consultation of the ISIPs through the IDC marked completion of the design phase of the 5 lines of effort.

Table 6: Performance Measure 4 outcome and analysis, 2025–26

Performance Measure 4 Establish or refine any international arrangements required to implement the Nuclear-Powered Submarine Program and sustain trilateral engagement.	**Achieved**
Target	**2025–26 result**
Target 4.1: Continue to establish and refine required international arrangements or agreements necessary to implement the Nuclear-Powered Submarine Program and sustain trilateral engagement.	Achieved
Reference	
Australian Submarine Agency Corporate Plan 2025–26	Page 15
Analysis	

In 2025–26, the ASA **achieved** its intended performance against this measure. The ASA **achieved** Target 4.1.

The ASA recognises that trilateral and/or bilateral arrangements between Australia, the UK and the US are necessary to enable Australia's delivery on the Optimal Pathway to achieve the construction and delivery of SSN-AUKUS as an enduring nuclear-powered submarine capability for Australia.

The ASA commenced negotiations on, or established, all of the key international arrangements and agreements required for progression during 2025–26. A notable example is the Australia-UK Nuclear-Powered Submarine Partnership and Collaboration Agreement (the Geelong Treaty) that was signed on 25 July 2025 and entered into force on 19 December 2025.

Due to the longstanding nature of bilateral and trilateral negotiations, the capacity and needs of the participating governments can affect the rate of progress for developing and finalising the agreements and arrangements. The ASA continues to work closely with AUKUS partners to establish or refine the arrangements necessary to implement the NPS Program and sustain AUKUS engagement.

Arrangements established to date provide the foundation for enhanced cooperation under AUKUS between Australia, the UK and the US. These arrangements enable enhanced flow of information, support the development of the required workforce, technical personnel, and infrastructure build, and establishment of regulatory systems required for Australia's NPS Program, including facilitation of port visits and the rotational presence of UK and US SSNs at HMAS *Stirling*.

Key Activity 2

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

Table 7: Performance Measure 5 outcome and analysis, 2025–26

Performance Measure 5 Develop and implement nuclear safeguards arrangements as agreed between Australia and the IAEA.	**Achieved**
Target	**2025–26 result**
Target 5.1: In consultation with the Australian Safeguards and Non-Proliferation Office, the Department of Foreign Affairs and Trade and the Attorney-General's Department, engage with the IAEA on the development of Australia's nuclear non-proliferation and safeguards approach.	Achieved
Reference	
Australian Submarine Agency Corporate Plan 2025–26	Page 16
Analysis	

In 2025–26, the ASA **achieved** its intended performance against this measure. The ASA **achieved** Target 5.1.

The ASA remains committed to progressing Australia's acquisition of conventionally-armed nuclear-powered submarines in a way that sets the highest nuclear non-proliferation standard.

During 2025–26, the ASA worked in consultation with ASNO, DFAT and the Attorney-General's Department to engage with the IAEA on Australia's safeguards approach, including ongoing negotiations for an arrangement under Article 14 of Australia's Comprehensive Safeguards Agreement (an Article 14 Arrangement enables states to use nuclear material in a non-proscribed military activity while also meeting the IAEA's technical objectives).

The ASA, in collaboration with ASNO, DFAT and the Attorney-General's Department, attended all IAEA engagements and contributed to the development of a fit-for-purpose nuclear non-proliferation approach for Australia's NPS Program.

The latest IAEA report, dated 12 November 2025, provided a factual update on the progress of discussions between the IAEA and Australia, including on the technical aspects, structure and content of an Article 14 arrangement. The ASA anticipates that consultation with IAEA on Article 14 issues will continue over the course of the NPS Program.

In November 2025, IAEA Director General Rafael Grossi provided a report to IAEA Member States on Australia's Naval Nuclear Propulsion (NNP) Program, confirming that Australia continued to meet its non-proliferation and safeguards obligations. The report noted there have been continued discussions between Australia and the IAEA on ways to facilitate verification and monitoring activities, as well as voluntary transparency measures, within the framework of Australia's safeguards agreements. In his opening statement to the June 2026 IAEA Board of Governors, the IAEA Director General confirmed his intention to provide an updated report on Australia's NPS Program as significant developments warrant.

The IAEA has continued to conduct verification activities in relation to Australia's NNP Program, within the framework of Australia's safeguards agreements. The ASA will continue to support engagements with the IAEA for the life of the NPS Program and will reflect this in future performance reporting targets.

Table 8: Performance Measure 6 outcome and analysis, 2025–26

Performance Measure 6 Set program and technical requirements and standards for nuclear-powered submarine capability across all capability life-cycle phases.	**Substantially Achieved**
Targets	**2025–26 result**
Target 6.1: Embed Australian personnel into the UK and US in order to build nuclear competency in the Australian nuclear-powered submarine enterprise.	Substantially Achieved
Reference	
Australian Submarine Agency Corporate Plan 2025–26	Page 16
Analysis	

In 2025–26, the ASA **substantially achieved** its intended performance against this measure. The ASA **substantially achieved** Target 6.1.

The ASA has established the processes and frameworks required to embed personnel in UK and US partner organisations, which provide access to critical skills, experience and nuclear stewardship expertise to support the future Australian nuclear-powered submarine enterprise. The ASA continues to be committed to building Australia's nuclear workforce and capability to safely operate and sustain conventionally-armed nuclear-powered submarines.

During 2025–26, the ASA made significant progress in strengthening the systems and processes required to support and scale the embedding program. In this period, the ASA established the IPO and implemented enhanced governance arrangements to centralise and improve management of APS, ADF and industry placements. These initiatives have streamlined workforce planning, improved oversight, and positioned the ASA to increase placement numbers and meet future embedding requirements.

During 2025–26, the ASA embedded 18 personnel, bringing the total number of personnel embedded overseas to 37, strengthening Australia's capability to build, operate and sustain its future Australian nuclear-powered submarine enterprise.

The ASA's operating model matured during 2025–26 as the requirements of the future Australian nuclear-powered submarine enterprise became clearer. This resulted in a deliberate shift in focus towards establishing and maturing the technical authority as the central mechanism for exercising nuclear stewardship, technical assurance and sovereign engineering judgement across the enterprise.

The refinement of ASA's operating model represented a positive evolution in capability development rather than a reduction in scope. By leveraging specialist technical expertise already available within trilateral partner organisations in the UK and the US, the ASA determined that a smaller embedded technical workforce than originally anticipated was required. This allowed the ASA to prioritise the development of personnel with the technical, regulatory, safety and engineering assurance skills required to fulfil Australia's future responsibilities as the steward of a conventionally-armed nuclear-powered submarine capability.

The embedding program remains a critical enabler of this outcome. Through placements in UK and US organisations, Australian personnel gained direct exposure to relevant aspects of established nuclear enterprises, mature technical governance frameworks and real-world application of technical authority functions. This experience accelerated workforce development in ways that would not have been achievable through domestic training and education activities alone.

Performance Measure 6 Set program and technical requirements and standards for nuclear-powered submarine capability across all capability life-cycle phases.	Substantially Achieved

The ASA will continue to expand its workforce capability by increasing opportunities for Australian personnel to be embedded within UK and US partner organisations. These placements will further strengthen Australia's nuclear stewardship, technical expertise and workforce capability, supporting the long-term development of the Australian nuclear-powered submarine enterprise. As the ASA understanding of future enterprise requirements continues to mature, it will refine its workforce demand signals and embedding requirements to ensure its technical workforce remains optimised, targeted and aligned to Australia's evolving nuclear stewardship, engineering assurance and capability needs.

Table 9: Performance Measure 7 outcome and analysis, 2025–26

Performance Measure 7 Establish stewardship capabilities to support the introduction of naval nuclear propulsion technology to Australia.	Achieved
Targets	**2025–26 result**
Target 7.1: Continue to identify and progress the necessary nuclear-related domestic regulatory and government approvals for all phases of the Optimal Pathway.	Achieved
Reference	
Australian Submarine Agency Corporate Plan 2025–26	Page 16
Analysis	

In 2025–26, the ASA **achieved** its intended performance against this measure. The ASA **achieved** Target 7.1.

During 2025–26, the ASA continued to identify and progress the necessary nuclear-related domestic regulatory government approvals for all phases of the Optimal Pathway.

As at 30 June 2026, the ASA had identified and progressed the requirements for all approvals required during this financial year.

This ensured that the ASA obtained the necessary regulatory approvals to meet applicable environmental, safety and safeguards requirements for the works being undertaken at this stage in the program at HMAS *Stirling* and at the Nuclear-Powered Submarine Construction Yard, which are regulated by the Department of Climate Change, Energy, the Environment and Water, the ANNPSR and ASNO.

The ASA also continues to work with its industry partners and regulators to facilitate the future granting of regulatory approvals necessary to support NPS Program progress at the Nuclear-Powered Submarine Construction Yard.

Performance Measure 7 Establish stewardship capabilities to support the introduction of naval nuclear propulsion technology to Australia.	Achieved

The ASA continues to engage with relevant regulators and draw on a range of expertise to develop our stewardship capability. This includes leading efforts across the NPS Program to:

- build a comprehensive understanding of the various legislative regimes and regulatory frameworks that apply to regulated activities
- facilitate information sharing on regulatory matters to drive better compliance outcomes
- share best-practice examples of compliance and assurance activities.

The ASA remains steadfast in its commitment to demonstrating best practice nuclear stewardship to operate, build, maintain and sustain naval nuclear propulsion technology in Australia.

Financial performance

2025–26 financial performance analysis

The Australian Government provided the ASA with $388.8 million in appropriation funding for operating costs and a further $8.8 million for capital investment in the 2025-26 Portfolio Budget process (totalling $397.6 million).

The ASA reported an operating profit of $4.5 million in its 2025-26 Financial Statements. After adjusting for the impact of depreciation and including the impact of lease payments, the ASA achieved a net cash operating surplus of $10.6 million. This result was primarily driven by reduced expenditure on the external workforce in support of Government-directed savings measures and due to timing in on boarding of contractors. Contractors provide critical capabilities to support delivery of the Optimal Pathway while ASA continues to grow its workforce.

The ASA's 2025–26 Financial Statements, including a summary of the ASA's total resources and payments, are provided at Appendix A.

Table 10: ASA Resource Statement 2025–26

	Current available appropriation (a) $'000	Payments received (b) $'000	Balance remaining (a)-(b) $'000
Departmental			
Annual appropriations - ordinary annual services[1]	376,595	249,922	126,673
Prior year appropriations available - ordinary annual services	284,101	162,101	122,000
Annual appropriations - other services - non-operating	8,806	–	8,806
Prior year appropriations available - other services - non-operating	80,602	1,027	79,575
Total departmental annual appropriations **(c)**	750,104	413,050	337,054
Total departmental special appropriations **(d)**	–	–	–
Opening balance - special accounts	–	–	–
Special account receipts	–	–	–
Total special accounts **(e)**	–	–	–
Less departmental appropriations drawn from annual/special appropriations and credited to special accounts **(f)**	–	–	–
Total departmental resourcing **(c+d+e-f)**	750,104	413,050	337,054
Total resourcing and payments for entity	**750,104**	**413,050**	**337,054**

Note:

[1] Appropriation amounts disclosed exclude $12.2 million withheld under government savings measures, as outlined in the 2025-26 Portfolio Additional Estimates Statements (PAES).

Expenses for outcomes

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

Table 11: Expenses by outcome for reporting period, 2025–26

	Budget 2025–26 $'000 (a)	Actual expenses 2025–26 $'000 (b)	Variation 2025–26 $'000 (a) - (b)
Program 1.1: Nuclear-Powered Submarines			
Departmental expenses[1]			
Departmental appropriation	376,595	360,363[4]	16,232
s74 External Revenue[2]	14,856	–	14,856
Special appropriations	–	–	–
Special accounts	–	–	–
Expenses not requiring appropriation in the Budget year[3]	10,628	33,428	-22,800
Departmental total	402,079	393,791	8,288
Total expenses for Outcome	**402,079**	**393,791**	**8,288**

	Budget Estimate 2025–26	Actual 2025–26
Average staffing level (number)	883	794

Notes:

[1] Full-year budget, including any subsequent adjustment made to the 2025-26 budget at Portfolio Additional Estimates.
[2] Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
[3] Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.
[4] This Actual expenditure has been applied 2025-26 appropriation budget and 2024-25 appropriation budget.



ASA Advocate Paul Myler (left), with Rear Admiral Tom Phillips (centre left), Kate van Hilst (centre right) and Tim Hodgson (right) at the Submarine Institute of Australia National Conference in Perth. Image: Australian Submarine Agency.

Nuclear safety and industry opportunity take centre stage in Perth

August saw senior leaders from the ASA attend the Submarine Institute of Australia's national conference in Perth, engaging with industry to foster collaboration on Australia's nuclear-powered submarine enterprise.

Themed 'Nuclear Submarines in Australia', the conference provided the submarine community and industry with insight on how to support the greatest whole-of-nation industrial endeavour Australia has ever undertaken.

ASA staff provided updates on the NPS Program and participated in panel discussions focusing on nuclear stewardship and commercial initiatives that will generate jobs and build infrastructure in the decades ahead.

The ASA is unwavering in its commitment to protect the health and safety of the community and the environment, which requires enterprise-wide ownership and accountability for the safe and secure management of reactors and naval nuclear propulsion technology.

The Submarine Institute of Australia's conference was an excellent chance to further this effort and ensure Australia becomes a responsible nuclear steward and operates at the highest level of safety.

The ASA provided the conference with insight about the strategic advantage nuclear-powered submarines will bring to the ADF, noting that Australia must be able to deter aggression. Deterrence is most effective when underpinned by credible, high-end capabilities that can deny an adversaries' aims.

The partnership with the UK and the US provides access to capabilities, operational expertise and industrial strength that would



be impossible for Australia to develop alone in the required timeframe. As part of the NPS Program, Australia will obtain an SSN capability, including 3 Virginia class submarines being delivered from the US with the first of these to be delivered in the early 2030s.

Australia will also collaborate with the UK in the design and build of SSN-AUKUS, with construction due to commence by the end of the decade.

The ASA also highlighted the various opportunities for Australia's submarine industrial base to uplift capability and contribute to the build and sustainment of Australia's nuclear-powered submarines, as set out in Australia's AUKUS Submarine Industry Strategy.

The NPS Program will support thousands of jobs and underpin over $30 billion in investment in industry uplift, including shipyard infrastructure, workforce uplift and other enablers.

These initiatives will support hundreds of Australian suppliers to invest in their own capabilities to meet the high standards of nuclear-powered submarine build and sustainment activities in Australia and our AUKUS partners.

The Submarine Institute of Australia's conference was also the first opportunity for the ASA AUKUS advocate, Mr Paul Myler, to serve in his new role supporting engagement with local communities, businesses and governments to build awareness and foster further collaboration on Australia's NPS Program.



A bilateral team of US Navy Sailors and civilians of the PHNSY Dive Locker, and Australian members of Clearance Divers dive under the hull of the USS *Vermont* in support of a planned submarine maintenance period at HMAS *Stirling*. Image: US Navy Photo by Cmdr. Erik Wells.



4 Management and Accountability

Corporate governance

As a non-corporate Commonwealth entity within the Defence Portfolio, the ASA reports to the Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP.

The ASA governance arrangements are designed to enable the ASA to safely and securely deliver the NPS Program. Collectively, they ensure that the ASA implements the principles and objectives of effective corporate governance.

The Executive Committee is the principal decision-making and oversight forum for ASA corporate and organisational matters. It is responsible for setting top-level organisational goals and driving delivery of ASA commitments to government and the community. The Executive Committee provides advice to the Director-General on key matters of strategic significance to the ASA, including performance and risk management.

The ASA corporate governance framework also includes the Resource Management Committee and its subcommittees. It is responsible for making decisions in relation to, and supporting the Executive Committee, to ensure and facilitate the optimal alignment of resources to deliver the ASA outcomes.

The ASA also maintains program governance committees – including the Program Management and Investment Committee – to ensure the ASA applies a risk-based, whole-of-program approach to delivering outcomes across the NPS Program. A range of additional trilateral and domestic forums support critical program decision-making.

The Director-General receives independent advice from the ASA Audit and Risk Committee on financial management, performance reporting, risk oversight and management, internal control systems, and audit reports. Consistent with subsection 17(2) of the PGPA Rule, the functions of the committee include reviewing the appropriateness of the Director-General's financial reporting; performance reporting; system of risk oversight and management; and system of internal control for the Agency.

The ASA participates in Defence enterprise committees to ensure alignment with Defence priorities and capabilities.

Fraud control and prevention

During 2025–26, the ASA continued to strengthen its systems and processes to identify, investigate, respond to and report on fraud and corruption matters.

Consistent with the requirements set out in section 10 of the PGPA Rule, the ASA developed an updated Fraud and Corruption Control Plan, following the completion of a whole-of-Agency fraud and corruption risk assessment process.

In accordance with the Commonwealth Fraud and Corruption Control Framework 2024, the ASA also meets its mandatory obligations to prevent, detect and respond to fraud and corruption. All ASA personnel must adhere to relevant policies and procedures, and are held accountable for their actions. The ASA takes all reasonable steps to minimise the potential for fraud and corruption by designing and implementing internal controls that prevent, detect and deal with fraudulent and corrupt behaviour.

All employees commencing work with the ASA, and every 2 years post-commencement, complete mandatory training on fraud and integrity awareness, which is connected to their individual performance agreement and pay progression. Fraud and corruption education is also promoted under the Defence Portfolio, through activities such as International Fraud Awareness Week, education sessions from the National Anti-Corruption Commission, and

regular messaging regarding integrity matters and completed compliance activities. As a Defence Portfolio agency, the ASA amplifies and communicates this information to all ASA personnel, along with a number of ASA tailored information sessions.

During 2025–26, the ASA received 12 reports of suspected fraud and/or corruption. All reports of suspected fraud and/or corruption were dealt with appropriately through assessment and, where necessary, investigation in accordance with the Australian Government Investigation Standards 2022. One matter was referred to another Commonwealth entity for consideration of investigation. All other matters were assessed with no instances of fraud or corruption being substantiated.

Risk management

The ASA maintains risk management systems and internal controls that support effective governance and comply with the PGPA Act, the PGPA Rule and the Commonwealth Risk Management Policy 2023.

The ASA promotes a positive risk culture underpinned by its Risk Management Framework, which establishes the policies, processes, governance arrangements and controls necessary for the consistent management of risk across the Agency. Through risk-informed decision-making, transparency, accountability and continuous improvement, personnel at all levels are encouraged to proactively identify, assess and manage risks and opportunities. This approach supports the delivery of government priorities and capability outcomes, enables the ASA to respond effectively to emerging challenges. It also strengthens the resilience of the nuclear-powered submarine enterprise, and maintains the confidence of government, international partners, and stakeholders, including the Australian public.

During 2025–26 the ASA:

- updated several Risk Management Framework artefacts, incorporating contemporary best practice and lessons learned
- improved Agency-wide risk literacy through delivering a suite of tailored risk management training courses
- maintained its risk review and assurance programs, to continuously improve and uplift risk-related decision-making outcomes for the Agency.

Internal audit

In collaboration with an internal audit provider, the ASA conducts internal audits to provide assurance and identify improvements to our business processes, systems of internal control and risk management. These audits strengthen accountability and promote a culture of integrity, performance and continuous improvement.

The internal audit plan is developed in consultation with senior executive and governance committees, including with the Executive Committee and the Audit and Risk Committee.

Audit and Risk Committee

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

During 2025–26, the ASA Audit and Risk Committee had 4 external members. The Audit and Risk Committee is supported by the Deputy Director-General Strategy and Chief Operating Officer, who attend as senior advisers. The senior advisers assist the Audit and Risk Committee members in carrying out their functions. The ASA Audit and Risk Committee met 8 times during 2025–26.

Table 12: ASA Audit and Risk Committee disclosure requirements

Member name and role on the committee	Qualifications, knowledge, skills or experience	Committee meetings (attended/ total)	Total annual remuneration (GST incl) ($)
Ms Jennifer Clark, Chair From 1 July 2025 to present	Ms Clark has an extensive background in business, finance and governance through a career as an investment banker, where Ms Clark's role included providing advice to the government on Defence major projects. Ms Clark has been a non-executive director since 1991 and has been the chair, deputy chair or a member of more than 20 audit and risk committees and boards in the government and private sectors over the past 30 years. Ms Clark is a Fellow of the Australian Institute of Company Directors and has substantial experience in financial and performance reporting, audit, risk management and project management.	8/8	118,114
Ms Elizabeth Montano AM, Member From 1 July 2025 to present	Ms Montano holds the degrees of Bachelor of Arts and Bachelor of Laws (UNSW) and is a Fellow of the Australian Institute of Company Directors. Ms Montano has more than 25 years of experience as chair, deputy chair and member of boards and audit and risk committees across a wide range of government and not-for-profit entities in regulation, law enforcement, scientific research, service delivery and social justice programs. Ms Montano has broad-ranging experience in governance and the machinery of government, including finance and performance reporting, risk, assurance and program and project management and oversight. Ms Montano is a former Chief Executive Officer of Australian Transaction Reports and Analysis Centre (AUSTRAC) and the first woman to lead a Commonwealth law enforcement/regulatory agency. Prior to leading AUSTRAC, she was Consultant and Senior Lawyer with King & Wood Mallesons.	8/8	67,000

Member name and role on the committee	Qualifications, knowledge, skills or experience	Committee meetings (attended/ total)	Total annual remuneration (GST incl) ($)
Mr Mick Kinley, Member From 1 July 2025 to 31 December 2025	Mr Kinley holds a Bachelor of Engineering (Mechanical), Monash University, a Bachelor of Applied Science (Marine Engineering), Australian Maritime College, a Graduate Diploma in Legal Studies, University of New England and an Australian Chief Engineer Class 1 Certificate. Mr Kinley is a Member of the International Institute of Marine Engineers and Scientists and Australian Institute of Company Directors. Mr Kinley was the Chief Executive Officer of the Australian Maritime Safety Authority (AMSA) from 2014 to 2024 after joining AMSA in 1994 as a Marine Surveyor and undertaking various roles within AMSA. Prior to AMSA, Mr Kinley was employed in the shipping industry as a seagoing marine engineer and in shore-based engineering and project roles.	5/8	20,000
Mr Donald Cross, Member From 1 January 2026 to present.	Mr Cross has a background in financial statement audit; internal audit; management assurance; and performance, program and risk management. Mr Cross leverages this background, skills and experience as the chair or member of audit and risk committees for Australian Government departments and corporate Commonwealth entities delivering policy, regulatory and service delivery functions. Mr Cross is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Certified Practising Accountant.	3/8	37,393

External scrutiny

Our activities are subject to scrutiny from external bodies, including the Australian National Audit Office (ANAO), the Australian Information Commissioner, the Commonwealth Ombudsman, and various parliamentary committees.

Australian National Audit Office

The ASA was subject to the annual financial statement audit during 2025–26.

Parliamentary committees

During 2025–26, the ASA had the following engagements with parliamentary committees.

Table 13: ASA engagement with parliamentary committees, 2025–26

ASA Parliamentary committee engagement

Joint Standing Committee on Foreign Affairs, Defence and Trade

Inquiry into the Department of Defence Annual Report 2023–24 48P.
The ASA participated in one hearing.

Date	Location
21 November 2025	Perth, Western Australia

Joint Standing Committee on Treaties

Nuclear-Powered Submarine Partnership and Collaboration Agreement between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland.
ASA participated in one hearing and a Government Response was tabled on 24 July 2025.

Date	Location
2 October 2025	Canberra, ACT

Senate Standing Foreign Affairs Defence and Trade Legislation Committee

The ASA participated in 4 hearings and received 457 questions on notice (QoNs) across the hearings.

Date	Location	Hearing type	QoNs
9 October 2025	Canberra, ACT	2025–26 Supplementary Budget Estimates	122
3 December 2025	Canberra, ACT	2025–26 Supplementary Budget Estimates	91
11 February 2026	Canberra, ACT	2025–26 Additional Estimates	99
3 June 2026	Canberra, ACT	2026–27 Budget Estimates	145

Tabled Documents

The ASA authored 5 documents which were tabled between the period of 1 July 2025 to 30 June 2026.

Date	Document
24 July 2025 (House); 24 March 2026 (Senate)	Government response to the Joint Standing Committee on Treaties report (Committee Report) on the Agreement Among the Government of Australia, the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the United States of America for Cooperation Related to Naval Nuclear Propulsion
28 July 2025 (House); 28 July 2025 (Senate)	Australian Treaty National Interest Analysis (ATNIA) [2025] ATNIA 7 and Nuclear-Powered Submarine Partnership and Collaboration Agreement between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland [2025] Australian Treaty Not In Force (ATNIF) 25
28 August 2025	Indexed lists of departmental and agency files for the period 1 January to 30 June 2025 – Australian Submarine Agency
21 October 2025	Australian Submarine Agency Annual Report 2024–25
4 March 2026	Indexed lists of departmental and agency files for the period 1 July to 31 December 2025 – Australian Submarine Agency

Non-compliance with finance law

During 2025–26, the ASA did not record any significant instances of non-compliance with the finance law that would require a report to the Minister for Defence and the Minister for Finance in accordance with section 19 of the PGPA Act.

Legal Services Expenditure

During 2025–26, the ASA's total legal services expenditure was $7.4 million (GST inclusive). This included both internal and external expenditure, and includes all professional fees and disbursements.

Information Publication Scheme

The ASA Information Publication Scheme statement, pursuant to Part II of the *Freedom of Information Act 1982*, is available at **asa.gov.au/about**.

Further information about the Information Publication Scheme is available at the Office of the Australian Information Commissioner website at **oaic.gov.au**.

Campaigns and advertising

During 2025–26, ASA did not undertake any advertising campaigns. The ASA expended $726.24 (GST inclusive) on paid placement activities. This expenditure related to targeted promotion of social media content supporting key program milestones.

Understanding paid placement

For the purpose of these types, 'paid placement' is communication material that is placed in an environment or in front of an audience for a fee. It includes forms of advertising such as video advertisements on broadcast television and on-demand platforms, digital advertisements on websites and social media channels, pre-recorded audio advertisements on radio or podcasts, print advertisements appearing in newspapers or magazines, video advertisements appearing on cinema screens, and outdoor advertising on buses or digital and static billboards.

Paid placement also refers to forms of advertising, such as paid media partnerships, advertorial and paid content collaborations. Paid placement can also be referred to as 'paid media placement', 'advertising placement', 'advertising' or 'paid advertising'.

Grants

The ASA did not award any grants during 2025–26. The ASA does participate in the utilisation of grant programs administered by Defence and the award of grants by Defence in advancement of the NPS Program.

Asset management

As at 30 June 2026, the ASA managed $137 million of non-financial assets primarily made up of right-of-use leased building assets. The ASA framework for managing assets ensures compliance with the Australian Accounting Standards and is consistent with best practice.

Climate action in government operations

Commonwealth Climate Disclosure

Commonwealth Climate Disclosure is the Australian Government's policy for Commonwealth entities to publicly report on their exposure to climate-related risks and opportunities, and the actions they are taking to manage them.

As a Tranche 2 entity, the ASA is applying the Year 1 Commonwealth Climate Disclosure requirements for the 2025–26 reporting period. The Year 1 requirements introduce the fundamentals across the 4 disclosure pillars: governance, strategy, risk management, and metrics and targets.

Governance

The Director-General is the Accountable Authority for the ASA. Climate-related risks and opportunities are considered through the ASA governance, risk and planning arrangements, taking into account the ASA operational environment, security obligations and shared-service arrangements with Defence.

Strategy

The ASA is closely integrated with Defence through shared service arrangements, including energy supply, domestic travel and fleet management. As a result, many climate-related risks, opportunities and emissions sources associated with the ASA operations are managed at the Defence portfolio level.

The ASA supports the emissions reduction commitments outlined in the Defence Net Zero Strategy, as well as the Defence approach to managing climate-related risks and opportunities. This includes the ASA contribution to relevant planning, governance and reporting processes, and participation in the Defence Clean Energy Steering Group.

Administered by the Department of Finance, the Net Zero Government Operations Strategy recognises Defence as a security agency. Security agencies are expected to take action to reduce emissions aligned with the Net Zero Government Operations Strategy where this does not compromise operational or capability requirements, and may provide emissions reporting on an aggregate level with appropriate tailoring to protect national security information.

Consistent with this approach, the ASA will continue to work with Defence to identify and support practical opportunities to reduce emissions from activities within ASA influence, including through shared service arrangements for energy and domestic travel. The ASA will also continue to integrate climate-related considerations into relevant policies, frameworks and guidance, so that climate-related risks are identified, assessed, managed and monitored in a way that is proportionate to the ASA functions and security requirements.

Risk management

The ASA recognises that effective management of climate-related risks requires the progressive integration of climate considerations into relevant policies, frameworks and guidance. This approach supports the consistent identification, assessment, management and monitoring of climate-related risks across the organisation, having regard to the ASA operational context and the shared service arrangements provided by Defence.

Metrics and targets

The ASA contributes to Defence emissions reduction commitments through its use of Defence-managed services under a Memorandum of Understanding. The ASA emissions from energy supply and domestic travel are included as part of Defence's aggregated emissions reporting.

Administered by the Department of Finance, the Net Zero Government Operations Strategy provides that security agencies will take action to reduce emissions aligned with the Net Zero Government Operations Strategy where this does not compromise operational or capability requirements. It also provides that security agencies may report emissions at an aggregate level with appropriate tailoring, where required, to protect information relating to national security.

Consistent with that approach, the ASA will support Defence portfolio-level emissions reduction activities. This may include participation in relevant Defence planning, governance and reporting processes, and support for actions relating to energy use and fleet management where these are within ASA influence.

The ASA-specific emissions data cannot be separately reported where it is managed through Defence shared service arrangements or where separate disclosure would not be appropriate for operational, capability or security reasons. The ASA emissions from energy use and domestic travel are included in Defence's aggregated emissions reporting. The ASA will continue to work with Defence to support improvements to portfolio-level emissions reporting over time.

Workforce

Recruitment

As an Agency with an ambitious objective to support the delivery of the NPS Program, the ASA has had a significant growth trajectory. The ASA APS workforce started at 751 personnel at 1 July 2025, and completed the year on 30 June 2026 with 922 personnel.

The attraction of high-quality and specialised candidates to meet the NPS Program requirements is one of its highest priorities. At the same time, this presents one of the greatest challenges due to the highly competitive external market for specialised skills, particularly within the technical sphere, and the need for candidates to meet stringent security clearance requirements.

The ASA continues to implement strategies and policy, which will provide agility to recruit successfully at scale, and ensure candidate care is actively managed during the recruitment and security clearance processes.

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

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

Diversity and inclusion

The ASA is committed to a respectful and inclusive workplace where it is safe for its people to bring their whole selves to work. Since establishment, the ASA has implemented a range of initiatives and activities, including:

- ensuring people policies are gender neutral except where tied to legislative definitions
- appointing Diversity and Inclusion Champions who promote recognised days of significance focused on Culturally and Linguistically Diverse, LGBTQIA+, Neurodiversity and Accessibility, First Nations, Disability and Mental Health, and Women and Gender
- undertaking a range of diversity and inclusion activities, including educational webinars, lived experience speaker events, and morning teas
- continuing to improve workplace cohesion, culture and personnel retention
- introducing the inaugural Health and Wellbeing Program.

During 2025–26, the ASA prioritised the development of the ASA Diversity & Inclusion Strategy 2026–2029. This strategy is a key deliverable under the extant ASA People & Culture Plan 2025–2028 and outlines the practical steps the Agency will take in continuing to build a safe, respectful and inclusive workplace.

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

First Nations attraction and development

During 2025–26, the ASA continued to use a shared service arrangement with Defence for Aboriginal and Torres Strait Islander recruitment activities, resulting in the commencement of Aboriginal and Torres Strait Islander personnel.

The ASA acknowledged and celebrated our First Nations employees through a Cultural Yarn and Immersion Activity at the ASA Port Adelaide site, a Traditional Basket Weaving Workshop at the ASA Headquarters in Canberra and a virtual cultural awareness training session.

Training

In addition to mandatory training, the ASA has invested in building the skills and knowledge of its personnel through a range of in-house and external offerings. These offerings have included nuclear proficiency (beginner to advanced), building manager capability, writing and communication, investing in APS tradecraft procurement and project management, and health and wellbeing. Specialised training programs have elevated capability across specific job functions as required.

During 2025–26, the ASA launched its Competency Framework and Career Pathways tool to build a capable, adaptable and future-ready workforce. The ASA also continued to leverage training offered by Defence through the shared services agreement.

Entry-level programs

As part of the separation from Defence, the Nuclear Graduate Program expanded its scope from only Science, Technology, Engineering and Mathematics (STEM) applicants to include the policy and corporate pathway. There is currently a review into the Nuclear Graduate Program to ensure it remains fit for purpose and aligns to organisational needs.

A further 41 graduates commenced in 2026 across both pathways, comprising 28 STEM graduates and 13 policy and corporate graduates.

The Nuclear Graduate Program has continued to strengthen international partnerships. Following the successful pilot in 2025, the ASA again hosted 2 graduates from the UK Submarine Delivery Agency during 2026, supporting collaboration, workforce development and integration across the broader AUKUS enterprise. Structured learning and development opportunities, meaningful rotations and exposure to the broader Australian Nuclear Enterprise have contributed to strong retention outcomes (93%).

Applications for the 2027 intake closed in April 2026, with interest increasing by almost 50%. This growth reflects increasing awareness of the Nuclear Graduate Program, the continued strengthening of the ASA employer brand and strong interest in careers contributing to Australia's sovereign nuclear-powered submarine capability.

Flexible working arrangements

The ASA is committed to providing flexible working arrangements that support personnel to balance their professional and personal commitments and maximise participation in the workforce. Flexible working arrangements are balanced with reasonable business grounds and information security requirements.

The types of flexible work arrangements currently available in the ASA include flexible working hours, time off in lieu, local working arrangements, part-time work, job sharing and shift work, in accordance with the ASA Enterprise Agreement 2024–2027.

Disability reporting

Australia's Disability Strategy 2021–2031 is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. This strategy sets out changes (where practical) to improve the lives of ASA personnel 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 this strategy.

A range of reports on progress of this strategy's actions and outcome areas will be published and available at **disabilitygateway.gov.au**. 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**.

When released, the ASA Diversity & Inclusion Strategy 2026–2029 will measure success against targets established in extant APS-wide strategies including the APS Disability Employment Strategy 2020–2025. Disability data is self-disclosed and captured as part of monthly internal workforce reporting and the annual APS Employee Census.

The ASA also continued to utilise disability policies, training and resources offered by Defence through the shared services agreement.

Domestic and family violence

The ASA is committed to preventing family and domestic violence through embracing the Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023–2028. The ASA will continue to educate managers on how to support victim-survivors and create a safe workplace for all personnel.

Performance management

The ASA is committed to encouraging employees to perform at their best. All ASA employees, and their supervisors, are required to participate in the Performance Feedback Assessment and Development Scheme. This scheme provides a performance framework that:

- facilitates discussions and expectations on performance and behaviours
- recognises, rewards and reinforces strong performance
- identifies and encourages improvement where necessary.

Non-SES APS employees

Terms and conditions of employment for APS employees are set out in an enterprise agreement made under the *Fair Work Act 2009*.

The ASA Enterprise Agreement 2024–2027 came into effect on 4 April 2024 and provides 3 consecutive annual increases to salary and salary-related allowances, totalling 11.2% over the 3-year term of the agreement. Subject to operational requirements and individual circumstances, individual flexibility arrangements may be entered into with non-SES employees where they meet the genuine needs of the ASA and the employee.

SES APS employees

Employment terms and conditions for SES employees, including Chiefs of Division, are provided by an individual determination made under section 24(1) of the *Public Service Act 1999*. The determination is supplemented by a supporting remuneration determination and individual arrangements.

Non-salary APS benefits

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

Performance pay

Non-SES APS employees move through their salary range subject to receiving a performance rating of fully effective or higher. Where the employee is still moving through their salary range, they receive a payment of a 3.8% increase to their substantive salary, noting that the increase in salary may be less than 3.8% (but greater than 1%) in the year the employee reaches the top of their salary range. Where an employee is within 1% of the top of their salary range, their substantive salary is increased to the top of the range in addition to the payment of a partial lump sum to bring the total overall payment to 1% or $725, whichever is the greater. This bonus is considered a form of performance pay.

Work health and safety

The ASA is committed to providing a safe working environment and ensuring the health, safety and welfare of its personnel. This includes ensuring that ASA personnel uphold the principles and standards set out in the APS Values, APS Employment Principles, and the APS Code of Conduct.

Throughout 2025–26, the ASA monitored and reported on key work health and safety (WHS) risks and the effectiveness of mitigation strategies. In February 2026, the ASA participated in a proactive inspection conducted by Comcare as part of the regulator's assurance activities. The ASA will continue to review workplace health and safety trends to support continuous improvement and maintain the health, safety and welfare of its workers.

The ASA reported one notifiable incident to Comcare during 2025–26. Although the incident occurred in late 2024–25, it was reported during the 2025–26 reporting period. The incident was investigated to assess the circumstances and confirms that appropriate WHS controls were in place.

During 2025–26, the ASA continued to strengthen its WHS capability and progress the development of its WHS Management System to ensure that organisational activities are captured within a consistent framework for identifying, assessing and managing WHS risks. This included the development of safe systems of work to support the organisation's Safety Management System.

The ASA also continued to strengthen its relationship with Comcare in support of its WHS, rehabilitation and return-to-work responsibilities, further enhancing its safety governance and assurance arrangements.

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

Strategic Commissioning Framework

During 2025–26, the ASA continued to mature its implementation of the Australian Public Service Commission (APSC) Strategic Commissioning Framework through improved management of its external workforce.

The ASA continued to embed core work in-house, in line with the APSC Strategic Commissioning Framework. Due to the complexity of the Australia's NPS Program, the ASA also requires specialist and technical expertise to support the safe and secure delivery of the Program. These niche skills do not exist in either the APS or the ADF.

Commonwealth Child Safe Framework

As part of its response to the Royal Commission into Institutional Responses to Child Sexual Abuse, the Australian Government committed to the development and implementation of the Commonwealth Child Safe Framework to protect children and young people who may have contact with Commonwealth entities.

The ASA developed a robust framework to meet its commitments under the Commonwealth Child Safe Framework. The ASA also leverages training and resources under the Defence Youth Safety Framework.

The Positive Duty under the *Sex Discrimination Act 1984*

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

The ASA Positive Duty Action Plan was released in July 2026, and sets out the Agency's approach to meeting the positive duty obligations under the *Sex Discrimination Act 1984*. This action plan is the ASA formal response to the Positive Duty obligation and outlines proactive efforts to prevent discrimination, sexual harassment and related unlawful behaviours. This action plan serves to consolidate existing and planned initiatives and aligns with the Australian Human Rights Commission's *Seven Standards to Satisfy the Positive Duty*.

Procurement

The ASA undertakes its procurement in accordance with the Commonwealth Procurement Framework, which includes the Commonwealth Procurement Rules, issued under the PGPA Act.

The Commonwealth Procurement Rules are supported through ASA and Defence specific procurement policies, including the Accountable Authority Instructions, Defence Commercial Framework and associated procurement and contracting guidelines, fact sheets and training.

Expenditure on reportable consultancy contracts

During 2025–26, the ASA entered into 9 new reportable consultancy contracts involving an expenditure of $1,276,420 (GST inclusive). In addition, 9 ongoing reportable consultancy contracts were active during the period, involving an expenditure of $11,768,713 (GST inclusive). The total actual expenditure on reportable consultancy contracts was $13,045,133 (GST inclusive).

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

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

Table 14: Expenditure on reportable consultancy contracts, 2025–26

	Number	Expenditure $'000 (GST inc.)
New contracts entered into during the reporting period	9	1,276
Ongoing contracts entered into during a previous reporting period	9	11,769
Total	**18**	**13,045**

Table 15: Top 5 organisations receiving a share of reportable consultancy contract expenditure, 2025–26

Name of Organisation	ABN	Expenditure $'000 (GST inc.)	Proportion of 2025–26 total spend (%)
Boston Consultancy Group	70007347131	6,530	50.05
Synergy Group Australia Pty Ltd	86693296632	4,289	32.88
Artemis Partners	53632506702	1,148	8.80
Puzzle Partners Consulting Pty Ltd	69107246926	314	2.40
Cobalt Limited	85611696390	259	1.99

Expenditure on reportable non-consultancy contracts

During 2025–26, the ASA entered into 144 new reportable non-consultancy contracts, involving an expenditure of $31,643,215 (GST inclusive). In addition, the ASA had 110 reportable ongoing non-consultancy contracts from previous reporting periods, involving an expenditure of $48,401,525 (GST inclusive). The total actual expenditure on reportable non-consultancy contracts was $80,044,741 (GST inclusive).

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, **tenders.gov.au**.

Table 16: Expenditure on reportable non-consultancy contracts, 2025–26

	Number	Expenditure $'000 (GST Inc.)
New contracts entered into during the reporting period	144	31,643
Ongoing contracts entered into during a previous reporting period	110	48,402
Total	**254**	**80,045**[1]

Note:

[1] Totals do not align with sub-totals due to rounding.

Table 17: Top organisations receiving a share of reportable non-consultancy contract expenditure, 2025–26

Name of Organisation	ABN	Expenditure $'000 (GST inc.)	Proportion of 2025–26 total spend (%)
Servegate Australia Pty Ltd	56609386156	7,465	9.33
Accenture Australia Pty Ltd	49096776895	6,167	7.70
SME Gateway Pty Ltd	51106981560	5,845	7.30
KPMG Australia	51194660183	5,098	6.37
Aurecon Australasia Pty Ltd	54005139873	4,804	6.00
Clayton Utz[1]	35740217343	4,442	5.55

Note:

[1] This organisation has been included within the above table as the reportable non-consultancy expenditure exceeded 5% of the ASA 2025–26 non-consultancy expenditure.

Australian National Audit Office Access Clauses

The ASA has not entered into any contracts with a value of more than $100,000 (GST inclusive), where the contract did not provide the Auditor-General with access to the contractor's premises.

Exempt contracts

During 2025–26, the ASA exempted one contract with a total value of $184,805 (GST inclusive) from publication on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

Small business

The ASA supports small business participation in the Australian Government procurement market. SMEs and Small Enterprise participation statistics are available on the Department of Finance's website at **finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts**.

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

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

Communications and liaison

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



Australian Electronic Warfare Submariner.
Image: Department of Defence.



Head of Strategy and Policy at the ASA, Ms Mikaela James, speaking at a community information session in March 2026. Image: Australian Submarine Agency.

Community outreach ramps up as SRF-West draws near

Local communities across Western Australia are increasingly engaging with the nuclear-powered submarine enterprise as momentum builds towards the commencement of the first major AUKUS milestone.

Through community information sessions, stakeholder briefings, industry forums, careers events and targeted outreach activities, the ASA engaged directly with the public about what AUKUS will mean for their communities and how they can get involved.

Engagements centred around the beginning of SRF-West, due to commence in 2027, which will see submarines from the UK and the US rotating out of HMAS *Stirling*.

Community information sessions

The ASA hosted 8 community information sessions across Rockingham, Fremantle, Cockburn, Perth, Kwinana and East Fremantle, connecting hundreds of community members with Defence leaders, technical experts and local government representatives to ask questions, voice concerns, and gain a greater understanding of the NPS Program.

Talking directly with local communities is an important part of the ASA's work. The community information sessions give the ASA the chance to share updates on the NPS Program, and hear local views, questions and perspectives.

Western Australia plays a vital role in Australia's acquisition of conventionally-armed, nuclear-powered submarines, and the strong interest highlighted the value of ongoing, open engagement as the work continues.

From Albany to Comet Bay – AUKUS opportunities abound

ASA staff have also attended numerous community events and career expos promoting the role of AUKUS, the NPS Program, and the vast career and industry opportunities.



Events in 2025–26 included:

- AUKUS SRF-West Sustainment Industry Seminar (12 March)
- Irwin Barracks Open Day (14 March)
- University of Western Australia Career Fair (17 March)
- Comet Bay College Defence Industries Career Expo (24 March)
- Big Meet Careers Fair in Perth (1 April)
- Port of Albany's bicentenary celebrations (11 April)
- Rockingham Jobs Fair (22 April) and Business News' Sector Briefing: Future of Defence Infrastructure event (22 April)
- HMAS *Stirling* Open Day (9 May)
- Careers Day at the Indian Ocean Defence and Security Conference and Exhibition (28 May)
- ASA Nuclear Mindset Training Sessions for local and state government representatives (11 and 14 September)
- Rockingham Kwinana Chamber of Commerce Mineral Resources Regional Business Awards (12 September)
- Business News Outlook Breakfast (16 September)
- Defence 101 for Aboriginal Businesses in Western Australia (18 September).

Submarine Discovery Centre Opens in Rockingham

During the reporting period, ASA opened the Submarine Discovery Centre in Rockingham, providing a dedicated community space for visitors to learn about Australia's conventionally armed, NPS Program, the Optimal Pathway and Western Australia's role in supporting the enterprise.



Image: ASC Pty Ltd.



Appendices

Appendix A: Financial statements

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Defence

Opinion

In my opinion, the financial statements of the Australian Submarine Agency (the Entity) for the year ended 30 June 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 the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Melissa Petropoulos

Acting Executive Director

Delegate of the Auditor-General

Canberra

28 September 2026

Australian Submarine Agency
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 year ended 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 Submarine Agency will be able to pay its debts as and when they fall due.

Vice Admiral Jonathan Mead AO RAN
Director-General
25 September 2026

Timmy Lam
Chief Financial Officer
25 September 2026

Australian Submarine Agency
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5.1: Contingent Assets and Liabilities

5.2: Financial Instruments

6. Other Information

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

7. Budget Variance Reporting

Australian Submarine Agency
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2026

	Notes	2026 $'000	2025 $'000	Original budget $'000
NET COST OF SERVICES				
Expenses				
Supplier expenses	1.1B	**206,448**	169,780	218,329
Employee benefits	1.1A	**170,035**	132,101	160,261
Depreciation and amortisation	2.2A	**12,332**	11,358	10,628
Finance costs	1.1C	**4,950**	5,046	-
Write-down and impairment of assets	1.1D	**-**	1,176	-
Other expenses		**26**	87	4,868
Net foreign exchange losses		**-**	24	-
Total expenses		**393,791**	319,572	394,086
INCOME				
Own-source income				
Resources received free of charge	1.2A	**21,096**	18,418	-
Other revenue		**280**	169	-
Total own-source income		**21,376**	18,587	-
Gains				
Net foreign exchange gains		**17**	-	
Other gains	1.2C	**276**	436	-
Total gains		**293**	436	-
Total own-source income		**21,669**	19,023	-
Net (cost of) services		**(372,122)**	(300,549)	(394,086)
Revenue from Government				
Revenue from Government	1.2B	**376,595**	300,111	388,788
Surplus/(Deficit)		**4,473**	(438)	(5,298)
Total comprehensive income/(loss)		**4,473**	(438)	(5,298)

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

Australian Submarine Agency
STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	2026 $'000	2025 $'000	Original budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	**5,639**	5,332	2,934
Trade and other receivables	2.1B	**2,529**	2,014	172,498
Appropriation receivables	2.1C	**160,380**	188,029	-
Total financial assets		**168,548**	195,375	175,432
Non-financial assets				
Buildings (including right-of-use)	2.2A	**100,145**	109,671	156,789
Leasehold improvements	2.2A	**36,886**	40,535	6,613
Total non-financial assets		**137,031**	150,206	163,402
Total assets		**305,579**	345,581	338,834
LIABILITIES				
Payables				
Supplier payables		**16,912**	70,390	57,249
Employee payables	2.3A	**7,436**	5,965	-
Other payables		**149**	434	5,431
Total payables		**24,497**	76,789	62,680
Interest bearing liabilities				
Leases	2.4A	**112,016**	118,061	116,137
Total interest bearing liabilities		**112,016**	118,061	116,137
Provisions				
Employee provisions	2.5A	**37,177**	30,094	47,654
Restoration provisions	2.5B	**4,595**	6,622	-
Total provisions		**41,772**	36,716	47,654
Total liabilities		**178,285**	231,566	226,471
Net assets		**127,294**	114,015	112,363
EQUITY				
Contributed equity		**96,666**	87,860	96,665
Retained surplus		**30,628**	26,155	15,698
Total equity		**127,294**	114,015	112,363

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

Australian Submarine Agency
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2026

	2026 $'000	2025 $'000	Original budget $'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	**87,860**	35,017	87,860
Contribution by owners			
Departmental capital appropriations	**8,806**	52,843	8,805
Total transactions with owners	**8,806**	52,843	8,805
Closing balance as at 30 June	**96,666**	87,860	96,665
RETAINED SURPLUS			
Opening balance			
Balance carried forward from previous period	**26,155**	26,593	20,995
Adjusted opening balance	**26,155**	26,593	20,995
Comprehensive income			
Surplus/(Deficit)	**4,473**	(438)	(5,298)
Total comprehensive income/(loss)	**4,473**	(438)	(5,298)
Closing balance as at 30 June	**30,628**	26,155	15,698
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	**114,015**	61,610	108,856
Comprehensive income			
Surplus/(Deficit)	**4,473**	(438)	(5,298)
Total comprehensive income/(loss)	**4,473**	(438)	(5,298)
Transactions with owners			
Contribution by owners			
Departmental capital appropriations	**8,806**	52,843	8,805
Total transactions with owners	**8,806**	52,843	8,805
Closing balance as at 30 June	**127,294**	114,015	112,363

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

Accounting Policy

Equity Injections

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

Australian Submarine Agency
CASH FLOW STATEMENT
For the period ended 30 June 2026

	Notes	2026 $'000	2025 $'000	Original budget $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**412,023**	254,144	359,373
Section 74 receipts		**6,570**	7,947	-
Net GST received		**8,286**	6,709	-
Good and services (including cost recovery)		**279**	168	-
Interest received		**-**	1	-
Total cash received		**427,158**	268,969	359,373
Cash used				
Suppliers		**254,580**	143,170	204,711
Employees		**150,010**	112,384	144,464
Interest payments on lease liabilities		**9,745**	5,336	4,868
Other		**181**	106	-
Total cash used		**414,516**	260,996	354,043
Net cash from operating activities		**12,642**	7,973	5,330
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		**1,027**	35,000	8,805
Total cash used		**1,027**	35,000	8,805
Net cash from investing activities		**(1,027)**	(35,000)	(8,805)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		**1,027**	35,000	8,805
Total cash received		**1,027**	35,000	8,805
Cash used				
Principal payments of lease liabilities		**12,334**	5,575	5,330
Total cash used		**12,334**	5,575	5,330
Net cash from financing activities		**(11,307)**	29,425	3,475
Net increase/(decrease) in cash held		**307**	2,398	-
Cash and cash equivalents at the beginning of the reporting period		**5,332**	2,934	2,934
Cash and cash equivalents at the end of the reporting period	2.1A	**5,639**	5,332	2,934

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

Australian Submarine Agency
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2026

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

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

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

The financial statements have been prepared in accordance with:

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

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

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

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

New Accounting Standards
For 2025-26, there were no new or amended accounting standards and interpretations that had a material impact on the financial statements.

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

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

Australian Submarine Agency
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2026

1. Financial Performance

1.1: Expenses

	2026	2025
	$'000	$'000
Note 1.1A: Employee benefits		
Australian Public Service (APS) employee benefits		
Wages and salaries	**100,216**	76,952
Superannuation		
Defined contribution plans	**14,963**	11,790
Defined benefit plans	**5,390**	3,660
Leave and other entitlements	**13,970**	10,551
Other allowances	**11,427**	8,729
Fringe benefits tax	**5,799**	3,949
Total APS employee benefits	**151,765**	115,631
Australian Defence Force (ADF) employee benefits[1]		
Wages and salaries	**18,270**	16,470
Total ADF employee benefits	**18,270**	16,470
Total employee benefits (net)	**170,035**	132,101

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

Accounting Policy

(a) Leave

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

(b) Superannuation – APS Employees

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

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

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance as an administered item. The ASA makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the ASA's employees. The ASA accounts for these contributions as if they were contributions to defined contribution plans in accordance with *AASB 119 Employee Benefits*. The liability for superannuation recognised in the departmental statements as at 30 June 2026 represents outstanding contributions yet to be paid.

	2026	2025
	$'000	$'000
Note 1.1B: Supplier expenses		
Goods and services supplied or rendered		
Contracted services	**64,685**	64,355
Corporate shared services	**29,905**	40,493
Technical services[1]	**80,000**	37,630
Travel	**9,477**	10,777
Administration	**13,628**	8,639
Training	**2,804**	3,591
Other	**3,312**	2,964
Total goods and services supplied or rendered	**203,811**	168,449
Goods supplied	**714**	922
Services rendered	**203,097**	167,527
Total goods and services supplied or rendered	**203,811**	168,449
Other supplier expenses		
Short term leases[2]	**1,742**	758
Workers' compensation expenses	**895**	573
Total other supplier expenses	**2,637**	1,331
Total supplier expenses	**206,448**	169,780

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

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

Note 1.1C: Finance costs		
Interest on lease liabilities	**4,674**	5,046
Unwinding of discount- restoration	**276**	-
Total finance costs	**4,950**	5,046
Note 1.1D: Write-down and impairment of assets		
Leasehold Improvements	**-**	1,176
Total write-down and impairment of other assets	**-**	1,176

1.2: Own-Source Revenue and Gains

	2026	2025
	$'000	$'000
Note 1.2A: Resources received free of charge		
ADF salaries received free of charge	**18,270**	16,470
Corporate shared services support received free of charge - Property	**2,693**	1,828
Remuneration of auditors	**133**	120
Total resources received free of charge	**21,096**	18,418

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 the ASA to support the ASA's activities. During the period of the administrative posting, these personnel are made available to the ASA free of charge, however they remain under the ultimate command of the Chief of the Defence Force.

Defence also provides corporate support services at existing Defence locations free of charge.

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	**376,595**	300,111
Total revenue from Government	**376,595**	300,111

Accounting Policy

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

The ASA draws down appropriations on a just-in-time basis. The undrawn appropriations as at 30 June 2026 are reflected as a receivable and are available to be drawn down to meet future obligations. Appropriations receivable are recognised at their nominal amounts.

Note 1.2C: Other gains		
Reversal/write back of provisions[1]	**276**	436
Total other gains	**276**	436

1. During 2025-26, the ASA recognised a gain associated with the reassessment of the make good provision for leased premises. In 2024-25, the gain related to the disposal of a right-of-use assets, impacting the reversal of associated depreciation.

2. Financial Position

2.1: Financial Assets

	2026	2025
	$'000	$'000
Note 2.1A: Cash and cash equivalents		
Cash at bank	**5,639**	5,332
Total cash and cash equivalents	**5,639**	5,332

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		
Employee receivables		
Employee receivables[1]	**734**	1,108
Total employee receivables	**734**	1,108
Other receivables		
GST receivable from the Australian Taxation Office	**1,434**	641
Other	**361**	265
Total other receivables	**1,795**	906
Total trade and other receivables (net)	**2,529**	2,014

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

Accounting Policy
Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.
Credit terms for goods and services were within 20 days (2024-25: 20 days).

Note 2.1C: Appropriation receivables		
Appropriation receivables	**160,380**	188,029
Total appropriation receivables	**160,380**	188,029

2.2: Non-Financial Assets

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

	Buildings $'000	Leasehold Improvements $'000	Total $'000
As at 1 July 2025			
Gross book value	**128,877**	**41,683**	**170,560**
Assets under construction	**-**	**-**	**-**
Accumulated depreciation, amortisation and impairment	**(19,205)**	**(1,148)**	**(20,353)**
Total as at 1 July 2025	**109,671**	**40,535**	**150,206**
Additions			
Right-of-use assets	**196**	**-**	**196**
Assets under construction	**-**	**987**	**987**
Adjustment to restoration provisions	**-**	**(2,027)**	**(2,027)**
Depreciation and amortisation	**-**	**(2,609)**	**(2,609)**
Depreciation of right-of-use assets	**(9,723)**	**-**	**(9,723)**
Total as at 30 June 2026	**100,145**	**36,886**	**137,031**
Total as at 30 June 2026 represented by			
Gross book value	**129,056**	**39,595**	**168,651**
Assets under construction	**-**	**987**	**987**
Accumulated depreciation, amortisation and impairment	**(28,911)**	**(3,696)**	**(32,607)**
Total as at 30 June 2026	**100,145**	**36,886**	**137,031**
Carrying amount of right-of-use assets	**100,145**	**-**	**100,145**

1. At 30 June 2026, there are no significant capital commitments for the acquisition of property plant and equipment (2025: Nil)

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 improvements costing less than $30,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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

Lease right-of-use Assets

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

Depreciation

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

Asset class	Useful life 2025-26	Useful life 2024-25
Leasehold Improvements	Life of lease	Life of lease
Right-of-use Assets	Life of lease	Life of lease

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.

2.3: Payables

	2026 $'000	2025 $'000
Note 2.3A: Employee payables		
Salaries and wages	**6,751**	5,456
Superannuation	**685**	509
Total employee payables	**7,436**	5,965

2.4: Interest Bearing Liabilities

Note 2.4A: Leases		
Lease liabilities	**112,016**	118,061
Total leases	**112,016**	118,061
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**11,044**	10,885
Between 1 to 5 years	**42,596**	42,309
More than 5 years	**89,968**	101,142
Total contractual undiscounted cash flows	**143,608**	154,336
Less: Lease interest	**(31,592)**	(36,275)
Total leases	**112,016**	118,061

Accounting Policy

For all new contracts entered into, the ASA considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right-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 the ASA's incremental borrowing rate.

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

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

The ASA does not guarantee the residual value of any significant lease assets and no sale and leaseback transactions were recorded in the 2025-26 financial year (2024-25: nil).

2.5: Provisions

	2026 $'000	2025 $'000
Note 2.5A: Employee provisions		
Australian Public Service (APS) employee provisions		
Long service leave	**21,569**	17,836
Annual leave	**15,608**	12,258
Total APS employee provisions	**37,177**	30,094
Total employee provisions	**37,177**	30,094

Accounting Judgements and Estimates
The liability for long service leave and annual leave is determined by a finance model developed by Australian Government Actuary (AGA) 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.

Note 2.5B: Restoration provisions		
As at 1 July	**6,622**	-
Provision made	**-**	6,622
Amount reversed[1]	**(2,027)**	-
Total as at 30 June	**4,595**	6,622

1. The ASA has made adjustment to make good provision for the leasehold improvements under paragraph 16 of AASB116 Property, Plant and Equipment.This has been capitalised as part of the relevant leasehold improvement assets.

3. Funding

3.1: Appropriations

3.1A: Annual appropriations

Annual Appropriations for 2025-26[1]

	Annual Appropriation	Adjustments to appropriations[2]	Total Appropriation	Appropriation applied in 2026 (current and prior years)[3]	Variance[4]
	$'000	$'000	$'000	$'000	$'000
DEPARTMENTAL[5]					
Ordinary annual services	376,595	14,856	391,451	(426,572)	(35,121)
Equity injection - non operating	8,806	-	8,806	(1,027)	7,779
Total departmental	**385,401**	**14,856**	**400,257**	**(427,599)**	**(27,342)**

Annual Appropriations for 2024-25[1]

	Annual Appropriation	Adjustments to appropriations[2]	Total Appropriation	Appropriation applied in 2025 (current and prior years)[3]	Variance[4]
	$'000	$'000	$'000	$'000	$'000
DEPARTMENTAL[5]					
Ordinary annual services	330,111	7,947	338,058	(259,694)	78,364
Equity injection - non operating	52,843	-	52,843	(35,000)	17,843
Total departmental	382,954	7,947	390,901	(294,694)	96,207

Details of quarantined appropriations are as follows:	**$'000**
Amounts withheld under section 51 determinations	
Appropriation Act (No. 1) 2024-25	30,000
Total Quarantined	30,000

1. In 2025–26, the ASA changed the presentation of appropriations disclosed in the appropriation note to include GST amounts retained under section 74 of the PGPA Act. In 2024-25 and prior years, recoverable GST under section 74 of the PGPA Act was excluded from the appropriation note.
2. Adjustments to appropriations includes adjustments to current year annual appropriations including receipts received under section 74 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). For 2025-26 these amounts also include GST related receipts retained under section 74 of the PGPA Act.
3. The 2025-26 amounts applied include an adjustment made in the Central Budget Management System (CBMS) to correct an amount from 2024-25 that was initially applied against the appropriation for ordinary annual services.In 2025-26, $1.0 million was reallocated to equity injection – non-operating, with a corresponding decrease in the amount applied to ordinary annual services. There has been no change to the total departmental appropriation applied.This adjustment has also been reflected in the 30 June 2026 unspent annual appropriations in Note 3.1B.
4. The departmental variance relates to the movement in cash and appropriation receivable between the current and prior financial years including drawdowns of prior year appropriation and timing differences between expenses and cash outflows.
5. The ASA is authorised by Defence to incur expenditure on its behalf for Program 2.16 Nuclear-Powered Submarines. The ASA is not acting as a spending agent under section 47 of the Financial Reporting Rule and responsibility for drawing funds from the CRF remains with Defence.

	2026 $'000	2025 $'000
Note 3.1B: Unspent annual appropriations ('recoverable GST inclusive')		
Operating		
Appropriation Act (No.1) 2025-26	**126,673**	-
Appropriation Act (No.1) 2024-25	**30,000**	192,101
Appropriation Act (No.1) 2023-24	**92,000**	92,000
Total Operating	**248,673**	284,101
Equity		
Supply Act (No.2) 2025-26	**3,670**	-
Appropriation Act (No.2) 2025-26	**5,136**	-
Appropriation Act (No.2) 2024-25	**24,901**	25,928
Appropriation Act (No.2) 2023-24	**54,674**	54,674
Total Equity	**88,381**	80,602
Total	**337,054**	364,703
Cash and cash equivalents	**5,639**	5,332
Total unspent annual appropriations[1]	**342,693**	370,035

1. At 30 June 2026, $166.0 million in unspent annual appropriations (including cash and cash equivalents) is available to the Agency. A total of $176.7 million has been withheld under section 51 of the PGPA Act:
   - Appropriation Act (No.1) 2023-24 includes $92.0 million withheld under section 51.
   - Appropriation Act (No.2) 2023-24 includes $54.7 million withheld under section 51.
   - Appropriation Act (No.1) 2024-25 includes $30.0 million withheld under section 51.

3.2: Net Cash Appropriation Arrangements

Note 3.2A: Net cash appropriation arrangements		
Total comprehensive income/(loss) - per Statement of Comprehensive Income	**4,473**	(438)
Plus: depreciation and amortisation of assets funded through appropriations	**2,609**	1,148
Plus: depreciation of right-of-use assets	**9,723**	10,210
Less: lease principal repayments	**(6,224)**	(6,097)
Net cash operating surplus/(deficit)	**10,581**	4,823

4. People and Relationships

4.1: Key Management Personnel Remuneration

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

- Minister for Defence
- Director-General
- Deputy Director General Strategy
- Deputy Director General Technical
- Deputy Director General Nuclear Submarine Acquisition and Sustainment[4]
- Chief Operating Officer (up until 30 March 2026)

The KMP remuneration (including the remuneration for the Director-General[2]) for the period is shown below:

	2026	2025
	$'000	$'000
Short-term employee benefits	**2,350**	2,153
Post-employment benefits	**356**	311
Long-term benefits	**44**	40
Total key management personnel remuneration expenses[1]	**2,750**	2,504

The total number of key management personnel that are included in the above table are 6 (2024-25: 6). Acting key management personnel are included in this figure[3].

1. The above KMP remuneration excludes the remuneration and other benefits of the Minister for Defence. The remuneration and other benefits of the Minister is not paid by the ASA.
2. The Director-General's remuneration, as a member of the Australian Defence Force, is paid by Defence and recognised by the ASA as a KMP in the table above.
3. Represents the total number of individuals who occupied a KMP position during 2025-26, or part thereof. The number reflects both personnel movements and changes to KMP-designated positions arising from organisational restructuring during the year 2025-26. The Chief Operating Officer (COO) ceased to be a Key Management Personnel (KMP) from 30 March 2026. Remuneration paid up to this date is included in the KMP disclosure.
4. As part of an organisational structure change, the Deputy Director General Nuclear Submarine Acquisition and Sustainment position is included as a KMP during 2025-26.

4.2: Related Party Disclosures

Related party relationships:

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

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

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

No transactions with related parties requiring disclosure occurred during the financial year (2025: nil).

5. Managing Uncertainties

5.1: Contingent Assets and Liabilities

Quantifiable Contingencies
As at 30 June 2026 there were nil quantifiable contingent assets or liabilities (2025: nil).

Unquantifiable Contingencies
As at 30 June 2026 there were nil unquantifiable contingent assets or liabilities (2025: nil).

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.

5.2: Financial Instruments

	Notes	2026 $'000	2025 $'000
Note 5.2A: Categories of financial instruments			
Financial Assets			
Financial assets at amortised cost:			
Cash and cash equivalents	2.1A	**5,639**	5,332
Trade and other receivables	2.1B	**1,095**	1,373
Total financial assets at amortised cost		**6,734**	6,705
Carrying amount of financial assets		**6,734**	6,705
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Supplier payables		**16,912**	70,390
Employee payables	2.3A	**7,436**	5,965
Other payables		**149**	434
Total financial liabilities measured at amortised cost		**24,497**	76,789
Carrying amount of financial liabilities		**24,497**	76,789

Accounting Policy

Financial Assets

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

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

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

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

Income is recognised on an effective interest rate basis. 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.

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

Financial Liabilities

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

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

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

	2026	2025
	$'000	$'000
Note 5.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Exchange gain	**33**	174
Exchange loss	**(16)**	(198)
Impairment reversal/(loss)	**(4)**	(5)
Net (loss)/gain on financial assets	**13**	(29)

6. Other Information

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

Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**5,639**	5,332
Trade and other receivables	**2,529**	2,014
Appropriation receivables	**160,380**	188,029
Total no more than 12 months	**168,548**	195,375
More than 12 months		
Buildings (including right-of-use)	**100,145**	109,671
Leasehold improvements	**36,886**	40,535
Total more than 12 months	**137,031**	150,206
Total assets	**305,579**	345,581
Liabilities expected to be settled in:		
No more than 12 months		
Supplier payables	**16,912**	70,390
Employee payables	**7,436**	5,965
Other payables	**149**	434
Employee provisions	**11,041**	7,962
Lease liabilities	**6,610**	6,192
Total no more than 12 months	**42,148**	90,943
More than 12 months		
Restoration provision	**4,595**	6,622
Employee provisions	**26,136**	22,132
Lease liabilities	**105,406**	111,869
Total more than 12 months	**136,137**	140,623
Total liabilities	**178,285**	231,566

7. Budget Variance Reporting

Statement of Comprehensive Income

Expenses

Total expenses were marginally lower than the original budget. The key drivers of this variance are outlined below.

Supplier expenses, reflected lower-than-anticipated procurement activity during the year when compared to original budget. This was primarily due to a combination of a reduction of external workforce expenditure to achieve Government directed savings for external labour, and some delays in onboarding contractors required to support planned program delivery.

Employee benefits were higher than the budget; however, these figures include the value of resources received free of charge. Excluding these contributions, employee benefits expenses were below budget, largely due to a slower rate of workforce expansion than originally anticipated.

Finance costs were higher than the budget primarily due to a budgeting classification difference, with these costs included in other expenses in the original budget.

Depreciation and amortisation expenses exceeded the original budget due to higher depreciation charges arising from the capitalisation of leasehold improvements in the prior year. As the budget was set before year-end capitalisation activities were finalised, the full impact on depreciation expense was not known and therefore was not incorporated into the original budget estimates.

Income

Revenue from Government was lower than the original budget, due to a payment measure relating to savings from external labour reflected in the 2025-26 Portfolio Additional Estimates.

Own-sourced income exceeded the original budget, largely due to the recognition of resources received free of charge. The value of these contributions is inherently difficult to estimate at the time the budget is prepared, as the level of support required during the year is not known with certainty.

In addition, an unbudgeted gain was recognised during the year in relation to right-of-use assets, contributing to the favourable variance against the budget.

Statement of Financial Position

The significant variance in appropriation receivables compared with the original budget reflects differences in classification. Amounts budgeted as appropriation receivables were included within trade and other receivables in the original budget.

Acquisitions of non-financial assets during the year were lower than anticipated at the time the budget was prepared. In addition, leasehold improvements were classified as buildings in the original budget, contributing to the variance against budget.

Supplier payables were significantly lower than budget at year end, indicating improvements in supplier payment processes, with more timely settlement of outstanding invoices.

Employee provisions were lower than the original budget, largely reflecting a slower workforce expansion than anticipated when the budget was developed.

In addition, restoration provisions were not anticipated at the time the budget was prepared, resulting in a variance against the original budget estimates.

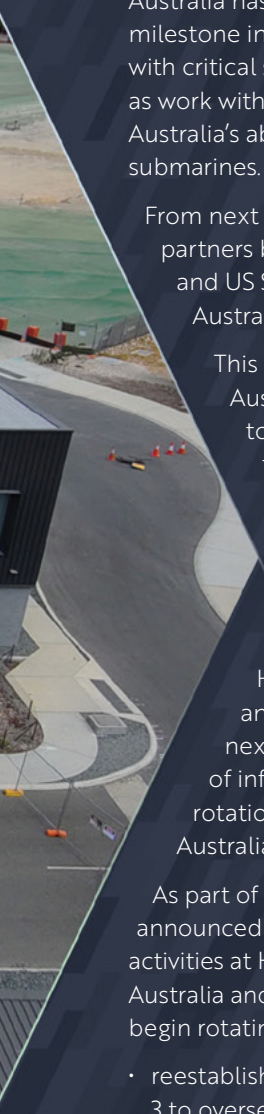


Image: ASC Pty Ltd



Building works underway across HMAS *Stirling* in preparation for the start of SRF-W from 2027.
Image: Department of Defence

New supports established for submarine rotational force



Australia has reached another important milestone in its preparations for SRF-West, with critical support elements now in place as work with AUKUS partners accelerates Australia's ability to operate nuclear-powered submarines.

From next year, SRF-West will see AUKUS partners begin a rotational presence of UK and US SSNs at HMAS *Stirling* in Western Australia.

This rotational presence aims to build Australia's expertise and capability to support SSNs by increasing familiarity with UK and US SSNs. This is a necessary step to ensure that RAN has the skills and systems needed to safely operate and sustain a fleet of SSNs.

HMAS *Stirling* is undergoing an $8 billion upgrade over the next decade to provide the scale of infrastructure required for both rotational SSNs during SRF-West and Australia's future SSN fleet.

As part of this process, the US Navy has announced that it will commence support activities at HMAS *Stirling* – in cooperation with Australia and the UK – with US personnel to begin rotating to HMAS *Stirling*, including the:

- reestablishment of US Submarine Squadron 3 to oversee the operation of SSNs rotating from HMAS *Stirling* in support of SRF-West – Submarine Squadron 3 will work alongside and become increasingly integrated with Australian and UK personnel to lay the groundwork for Australia's own maintenance, logistics and operational support of our sovereign controlled and operated SSNs
- establishment of a Lead Maintenance Activity in Western Australia from mid-2026 to support the maintenance of US submarines assigned to SRF-West, and provide ongoing valuable training to Australia's workforce
- establishment of Naval Support Activity to deliver support services and programs for US personnel, contractors and their families rotating as part of SRF-West.

The ASA will work with the US to ensure its personnel can seamlessly integrate into the Western Australia community, minimising impact, including on housing, transport and healthcare.

SRF-West will significantly develop Australia's ability to operate, maintain and safely steward our future conventionally-armed nuclear-powered submarines. Deploying RAN personnel on visiting UK and US boats will provide valuable at-sea experience with naval nuclear propulsion. It will also strengthen the skills, systems and supply chains required to build and maintain Australian submarines.

This builds on work already underway in the US, where more than 200 RAN personnel are on training and postings, focusing on the safe operation and qualification on nuclear-powered submarines. In addition, more than 220 Australian industry personnel are now in the PHNSY, building the experience needed to sustain Virginia class submarines.

As at 30 June 2026, 18 of these industry workers who returned to Australia have completed all training.

Appendix B: Workforce statistics

Management of human resources

Table 18: All ongoing APS employees by location and gender, 2025–26

	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	7	–	**7**	4	–	**4**	1	–	**1**	–	–	**–**	–	–	**–**	**12**
Qld	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
SA	79	–	**79**	47	4	**51**	2	–	**2**	–	–	**–**	–	–	**–**	**132**
Tas	2	–	**2**	3	–	**3**	–	–	**–**	–	–	**–**	–	–	**–**	**5**
Vic	41	–	**41**	17	1	**18**	6	1	**7**	–	–	**–**	–	–	**–**	**66**
WA	26	–	**26**	17	2	**19**	1	2	**3**	–	–	**–**	–	–	**–**	**48**
ACT	252	3	**255**	286	16	**302**	20	–	**20**	–	–	**–**	–	–	**–**	**577**
NT	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
External Territories	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
Overseas	38	–	**38**	19	–	**19**	2	–	**2**	–	–	**–**	–	–	**–**	**59**
Total	**445**	**3**	**448**	**393**	**23**	**416**	**32**	**3**	**35**	**–**	**–**	**–**	**–**	**–**	**–**	**899**

APS classification and gender

Table 19: All ongoing APS employees by classification and gender, 2025–26

	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	1	–	**1**	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	**2**
SES 2	2	–	**2**	5	–	**5**	–	–	**–**	–	–	**–**	–	–	**–**	**7**
SES 1	14	–	**14**	18	–	**18**	2	–	**2**	–	–	**–**	–	–	**–**	**34**
EL 2	120	1	**121**	89	7	**96**	11	2	**13**	–	–	**–**	–	–	**–**	**230**
EL 1	115	2	**117**	128	7	**135**	6	1	**7**	–	–	**–**	–	–	**–**	**259**
APS 6	97	–	**97**	86	4	**90**	7	–	**7**	–	–	**–**	–	–	**–**	**194**
APS 5	43	–	**43**	34	3	**37**	5	–	**5**	–	–	**–**	–	–	**–**	**85**
APS 4	51	–	**51**	31	2	**33**	1	–	**1**	–	–	**–**	–	–	**–**	**85**
APS 3	1	–	**1**	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	**2**
APS 2	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
APS 1	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**1**
Other	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
Total	**445**	**3**	**448**	**393**	**23**	**416**	**32**	**3**	**35**	**–**	**–**	**–**	**–**	**–**	**–**	**899**

Table 20: All non-ongoing APS employees by location and gender, 2025–26

	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	–	–	–	1	–	1	–	–	–	–	–	–	–	–	–	1
Qld	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
SA	3	–	3	3	–	3	–	–	–	–	–	–	–	–	–	6
Tas	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vic	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
WA	1	–	1	–	–	–	–	–	–	–	–	–	–	–	–	1
ACT	9	–	9	6	–	6	–	–	–	–	–	–	–	–	–	15
NT	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
External Territories	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	**13**	**–**	**13**	**10**	**–**	**10**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**23**

Table 21: APS Act non-ongoing employees, 2025–26

	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	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**1**
SES 2	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**1**
SES 1	2	–	**2**	2	–	**2**	–	–	**–**	–	–	**–**	–	–	**–**	**4**
EL 2	3	–	**3**	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	**4**
EL 1	4	–	**4**	2	–	**2**	–	–	**–**	–	–	**–**	–	–	**–**	**6**
APS 6	–	–	**–**	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	**1**
APS 5	–	–	**–**	3	–	**3**	–	–	**–**	–	–	**–**	–	–	**–**	**3**
APS 4	1	–	**1**	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	**2**
APS 3	1	–	**1**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**1**
APS 2	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
APS 1	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
Other	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	**–**
Total	**13**	**–**	**13**	**10**	**–**	**10**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**23**

Employment type by full time and part time status

Table 22: APS Act employees by full time and part time status, 2025–26

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	2	–	**2**	1	–	**1**	**3**
SES 2	7	–	**7**	1	–	**1**	**8**
SES 1	34	–	**34**	4	–	**4**	**38**
EL 2	220	10	**230**	4	–	**4**	**234**
EL 1	249	10	**259**	6	–	**6**	**265**
APS 6	190	4	**194**	1	–	**1**	**195**
APS 5	82	3	**85**	3	–	**3**	**88**
APS 4	83	2	**85**	2	–	**2**	**87**
APS 3	2	–	**2**	1	–	**1**	**3**
APS 2	–	–	**–**	–	–	**–**	**–**
APS 1	1	–	**1**	–	–	**–**	**1**
Other	–	–	**–**	–	–	**–**	**–**
Total	**870**	**29**	**899**	**23**	**–**	**23**	**922**

Information about remuneration for key management personnel (KMP)

Table 23: KMP remuneration, 2025–26

			Short-term benefits			Post employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title[2]	Term as key management personnel	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
			$	$	$	$	$	$	$	$
VADM Jonathan Mead	Director-General ASA[1]	1 July 2025 – 30 June 2026	679,301	–	–	153,926	12,224	–	–	845,451
Tim Hodgson	Deputy Director-General Technical	1 July 2025 – 30 June 2026	672,328	–	67,102	30,115	8,480	–	–	778,025
Alexandra Kelton	Deputy Director-General Strategy	1 July 2025 – 30 June 2026	408,253	–	–	71,811	11,716	–	–	491,780
Dave Johnson	Deputy Director-General Nuclear Submarines	27 January 2026 – 30 June 2026	262,767	–	–	39,701	2,273	–	–	304,741
Samantha Higgins	Chief Operating Officer[3]	1 July 2025 – 30 March 2026	168,113	–	–	43,748	6,592	–	–	218,453
Marlena Davis	acting Chief Operating Officer[3]	29 November 2025 – 30 March 2026	92,351	–	–	17,069	2,661	–	–	112,081

Notes:

1. Defence pays the Director-General's remuneration, as a member of the Australian Defence Force.
2. The number of KMP listed above is the number of individual KMP not the number of KMP positions. Personnel permanently appointed to an KMP level position are included in this table as well as personnel who acted in a KMP-level position for a period longer than three months.
3. The Chief Operating Officer ceased to be a KMP from 30 March 2026. Remuneration paid up to this date is included in the KMP disclosure. For further information refer to note 4.1 of the Financial Statements.

Information about remuneration for senior executives

Table 24: Senior executive remuneration, 2025–26

		Short-term benefits			Post employment benefits	Other long-term benefits		Termination benefits	Total remuneration[3]
Total remuneration bands	Number of senior executives/ starred officers[1]	Average base salary ($)	Average bonuses ($)	Average other benefits and allowances[2] ($)	Average superannuation contributions ($)	Average long service leave ($)	Average other long-term benefits ($)	Average termination benefits ($)	Average total remuneration ($)
$0 – $220,000	15	79,973	–	5,550	14,266	1,692	–	–	101,482
$220,001 – $245,000	6	197,419	–	–	33,604	4,061	–	–	235,084
$245,001 – $270,000	2	210,815	–	2,594	32,530	3,453	–	–	249,392
$270,001 – $295,000	5	240,827	–	–	38,049	5,793	–	–	284,669
$295,001 – $320,000	6	257,509	–	4,976	37,741	5,486	–	–	305,712
$320,001 – $345,000	8	267,807	–	16,727	40,235	5,821	–	–	330,589
$345,001 – $370,000	5	285,679	–	12,543	50,563	6,543	–	–	355,327
$370,001 – $395,000	1	285,020	–	189	85,700	7,505	–	–	378,414
$395,001 – $420,000	2	295,434	–	14,098	86,741	7,556	–	–	403,828
$420,001 – $445,000	1	287,629	–	58,192	86,635	7,607	–	–	440,063
$445,001 – $470,000	2	343,818	–	17,113	100,046	8,625	–	–	469,601
$470,001 – $495,000	3	283,273	–	152,403	39,152	6,603	–	–	481,432

		Short-term benefits			Post employment benefits	Other long-term benefits		Termination benefits	Total remuneration[3]
Total remuneration bands	Number of senior executives/ starred officers[1]	Average base salary ($)	Average bonuses ($)	Average other benefits and allowances[2] ($)	Average superannuation contributions ($)	Average long service leave ($)	Average other long-term benefits ($)	Average termination benefits ($)	Average total remuneration ($)
$545,001 – $570,000	1	249,592	–	263,558	35,889	6,469	–	–	555,509
$720,001 – $745,000	1	306,237	–	320,948	95,241	7,607	–	–	730,033

Notes:

1. The number of senior executives and starred officers listed above is the number of individual SES not the number of SES positions. Personnel permanently appointed to an SES-level position are included in this table as well as personnel who acted in an SES-level position for a period longer than 6 months.
2. Other short-term benefits and allowances include accommodation, overseas living and motor vehicle allowances as well as any fringe benefits tax (FBT) paid on behalf of senior executives in the FBT return for the year ended 31 March 2026. Personnel posted overseas are remunerated in accordance with the ASA overseas conditions of service framework. The framework exists to compensate for the differences in locations such as cost of living, accommodation and security environment. It also addresses additional costs incurred, such as family medical and educational costs, to ensure posted staff are not disadvantaged. This column includes non-cash benefits.
3. Remuneration of 10 members of the ADF administratively posted to the ASA included in this table and are recognised as resources free of charge in the ASA financial statements. The total remuneration paid by Defence for these senior executives is $4.1 million.

Information about remuneration for other highly paid staff

Table 25: Other highly paid staff remuneration, 2025–26

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration[2]
Remuneration band	Number of highly paid APS/ADF staff	Average base salary ($)	Average bonuses ($)	Average other benefits and allowances[1] ($)	Average superannuation contributions ($)	Average long service leave ($)	Average other long-term benefits ($)	Average termination benefits ($)	Average total remuneration ($)
$265,001 – $270,000	7	192,828	1,279	33,697	33,851	4,797	–	–	266,451
$270,001 – $295,000	20	186,070	1,071	53,320	37,490	4,130	–	–	282,080
$295,001 – $320,000	17	192,373	863	70,271	39,868	4,366	–	–	307,742
$320,001 – $345,000	6	194,182	296	84,424	49,503	4,886	–	–	333,291
$345,001 – $370,000	6	221,265	280	70,864	59,856	4,412	–	–	356,675
$370,001 – $395,000	3	169,572	905	165,262	37,213	4,168	–	–	377,120
$395,001 – $420,000	2	190,153	–	153,348	59,360	4,398	–	–	407,259
$420,001 – $445,000	1	231,396	–	113,246	71,347	5,112	–	–	421,101
$445,001 – $470,000	1	188,986	1,892	223,516	35,386	5,142	–	–	454,922
$470,001 – $495,000	1	244,397	–	150,888	77,240	5,592	–	–	478,117
$495,001 – $520,000	1	216,851	–	228,088	68,314	4,689	–	–	517,941

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration[2]
Remuneration band	Number of highly paid APS/ADF staff	Average base salary ($)	Average bonuses ($)	Average other benefits and allowances[1] ($)	Average superannuation contributions ($)	Average long service leave ($)	Average other long-term benefits ($)	Average termination benefits ($)	Average total remuneration ($)
$545,001 – $570,000	2	230,149	–	248,159	71,347	5,112	–	–	554,767
$645,001 – $670,000	1	257,616	–	310,249	79,538	5,765	–	–	653,168

Notes:

1. Other short-term benefits and allowances includes accommodation, overseas living and motor vehicle allowances as well as any FBT paid on behalf of personnel in the FBT return for the year ended 31 March 2026. Personnel posted overseas are remunerated in accordance with the ASA overseas conditions of service framework. The framework exists to compensate for the differences in locations such as cost of living, accommodation and security environment. It also addresses additional costs incurred, such as family medical and educational costs, to ensure posted staff are not disadvantaged. This column includes non-cash benefits.
2. Remuneration of 28 members of the ADF administratively posted to the ASA are included in this table and are recognised as resources free of charge in the ASA financial statements. The total remuneration paid by Defence for these senior executives is $10.3 million.

Employment type by location

Table 26: APS employment type by location, 2025–26

	Ongoing	Non-ongoing	Total
NSW	12	1	**13**
Qld	–	–	**–**
SA	132	6	**138**
Tas	5	–	**5**
Vic	66	–	**66**
WA	48	1	**49**
ACT	577	15	**592**
NT	–	–	**–**
External Territories	–	–	**–**
Overseas	59	–	**59**
Total	**899**	**23**	**922**

Indigenous employment

Table 27: APS Act Indigenous Employment, 2025–26

	Total
Ongoing	9
Non-ongoing	–
Total	**9**

Employment arrangements of SES and non-SES employees

Table 28: APS Act employment arrangements, 2025–26

Arrangement Title	SES	Non-SES	Total
Enterprise Agreement	–	873	**873**
Section 24(1) Public Service Act Determination	49	–	**49**
Total	**49**	**873**	**922**

Salary ranges by classification level

Table 29: APS Act employment salary ranges by classification level (min/max), 2025–26

	Minimum salary ($)	Maximum salary ($)	Individual[1] ($)
SES salary arrangements			
SES 3	320,119	375,565	664,890
SES 2	261,584	309,845	490,000
SES 1	218,785	252,065	311,478
Non-SES salary arrangements[2]			
EL 2	144,430	173,359	232,096[3]
EL 1	124,393	140,315	152,325[4]
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	**57,497**	**664,890**	**–**

Notes:

[1] Maximum salary paid under an individual remuneration arrangement.
[2] Salary ranges provided under the ASA Enterprise Agreement 2024–2027.
[3] Maximum rate for Executive Level 2.1, Executive Level 2.2, Legal and Science specialist structures.
[4] Maximum rate for Legal specialist structures.

Performance pay by classification level

Table 30: APS Act Employment Performance Pay by classification level, 2025–26

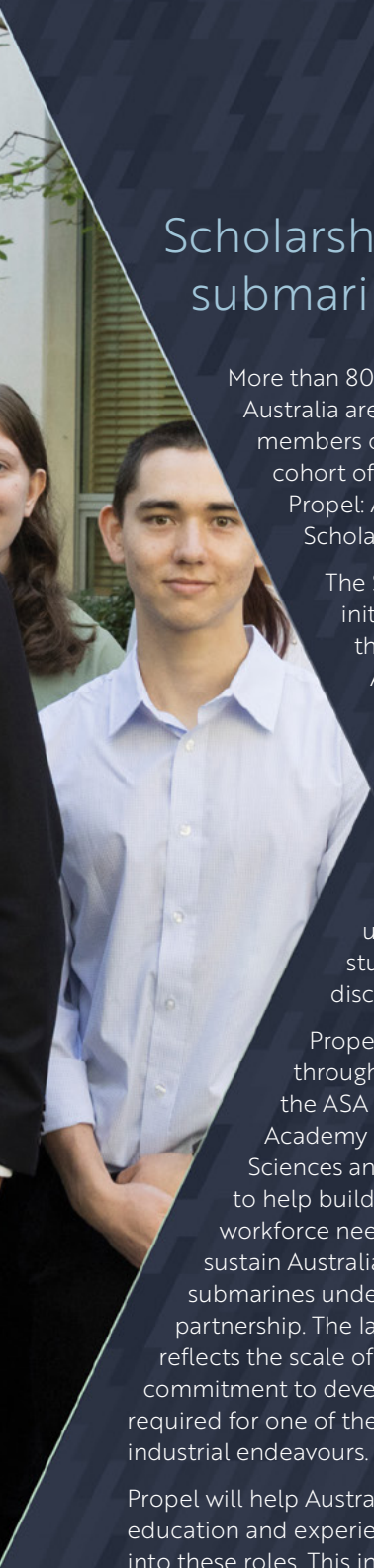
	Number of employees receiving performance pay	Aggregated (sum total) of all payments made ($)	Average of all payments made	Minimum payment made to employees ($)	Maximum payment made to employees ($)
SES 3	–	–	–	–	–
SES 2	2	22,977.00	11,488.00	11,436.00	11,541.00
SES 1	10	77,175.00	7,717.50	3,421.00	15,385.00
EL 2	96	165,831.00	1,727.41	97.59	2,244.64
EL 1	115	142,743.00	1,241.24	111.01	1,473.16
APS 6	69	70,275.48	1,018.49	149.62	1,087.35
APS 5	28	24,651.62	880.42	246.66	930.66
APS 4	9	7,341.42	815.71	426.38	864.38
APS 3	1	864.38	864.38	864.38	864.28
APS 2	–	–	–	–	–
APS 1	–	–	–	–	–
Other	–	–	–	–	–
Total	**330**	**511,858.90**			



The Virginia class fast-attack submarine USS *Vermont* (SSN 792) arrives at HMAS *Stirling* in Western Australia for a scheduled SMP. Image: Department of Defence.



Deputy Prime Minister the Hon Richard Marles MP with Propel scholars at the program's official launch at Parliament House, Canberra. Image: Department of Defence.



Scholarship launched to propel submarine workforce

More than 800 students across Australia are taking part as members of the inaugural cohort of scholars for the Propel: Australian Submarine Scholarship Program (Propel).

The $15.8 million initiative is supporting the development of Australia's future nuclear-powered submarine workforce and will award 3,000 scholarships over the 3-year roll out to domestic students undertaking undergraduate tertiary studies in priority STEM disciplines.

Propel is being delivered through a partnership between the ASA and the Australian Academy of Technological Sciences and Engineering (ATSE) to help build the highly skilled workforce needed to deliver and sustain Australia's nuclear-powered submarines under the AUKUS partnership. The launch of Propel reflects the scale of Australia's long-term commitment to developing the workforce required for one of the nation's most complex industrial endeavours.

Propel will help Australians access the education and experience required to step into these roles. This investment strengthens Australia's future STEM workforce and supports the defence industry capabilities our nation needs.

Propel will help ensure the talent pipeline is ready to meet this demand and support the broader AUKUS alliance.

AUKUS is an uplift, a whole-of-nation effort; Propel provides an opportunity for Australia to have a greater pool of experts to draw from to support this endeavour. Australia's NPS Program is expected to create around 20,000 highly skilled jobs nationwide over the coming decades.

Scholars will have opportunities to connect with leaders across industry, government and universities, and to learn directly from ATSE Fellows who are among Australia's most accomplished scientists and engineers.

These experiences will help prepare students for the critical roles they may one day play in delivering and sustaining Australia's nuclear-powered submarines, and the important role they play more broadly in building Australia's STEM future.

Propel aligns with the Australian Government's broader investment to expand Australia's STEM-qualified workforce for the Nuclear-Powered Submarine Enterprise, including the Nuclear-Powered Submarine Student Pathways Program, the ASA Nuclear Graduate Program, and workforce initiatives nation-wide, including the Skills and Training Academy in South Australia.

Appendix C: Supplementary online material

Table 31: Supplementary online material

Reference	Website
2025–26 Defence Portfolio Budget Statements	**https://www.defence.gov.au/about/accessing-information/budgets/budget-2025-26**
ASA Annual Reports	**asa.gov.au/about/planning-reporting**
ASA Audit and Risk Committee Charter	**asa.gov.au/about/planning-reporting**
ASA Corporate Plan 2025–26	**asa.gov.au/about/planning-reporting**
ASA Information Publication Scheme	**https://www.asa.gov.au/information-publication-scheme**
ASA Organisational Structure	**asa.gov.au/about/leadership**
Australia's AUKUS Submarine Industry Strategy	**https://www.asa.gov.au/australias-aukus-submarine-industry-strategy**
Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023–2028	**https://www.defence.gov.au/about/strategic-planning/defence-strategy-preventing-responding-family-domestic-violence-2023-2028**
Diversity & Inclusion Strategy 2026–2029	**https://www.defence.gov.au/jobs-careers/defence-aps-jobs/what-defence-offers/diversity-inclusion**
APS Disability Employment Strategy 2020–2025	**https://www.apsc.gov.au/aps-news/aps-disability-employment-strategy-2020-25-interim-evaluation**
Australian Submarine Agency Enterprise Agreement 2024–2027	**https://www.asa.gov.au/jobs-careers/working-with-us**
Australian Academy of Technological Sciences and Engineering	**https://www.atse.org.au/what-we-do/pathways-into-through-stem/propel/**

Appendix D: Glossary of abbreviations and acronyms

ADF	Australian Defence Force
AGD	Attorney-Generals Department
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
ANNPSR	Australian Naval Nuclear Power Safety Regulator
APS	Australian Public Service
ASA	Australian Submarine Agency
ASB	Australian Shipbuilder
ASC Pty Ltd	Australian Submarine Corporation
ASNO	Australian Safeguards and Non-Proliferation Office
ATSE	Australian Academy of Technological Sciences and Engineering
AUKUS	Australia, the United Kingdom, and the United States of America
AUSTRAC	Australian Transaction Reports and Analysis Centre
BAES	British Aerospace
CDDC	Contingency Dry Dock Capability
Defence	Department of Defence
DFAT	Department of Foreign Affairs and Trade
FBT	Fringe Benefits Tax
FOI	Freedom of Information
Geelong Treaty	Nuclear-Powered Submarine Partnership and Collaboration Agreement
GST	Goods and Services Tax
HMAS	His Majesty's Australian Ship
IAEA	International Atomic Energy Agency
IDC	Industry Interdepartmental Committee
ILM	Intermediate Level Maintenance
IOS	Initial Operating Support
IPO	International Placements Office
ISIPs	Industry Strategy Implementation Plans
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual
MP	Member of Parliament
NNP	Naval Nuclear Propulsion

NPS	Nuclear-powered submarines
Nuclear Mindset	Australian Nuclear Mindset
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
RAN	Royal Australian Navy
SES	Senior Executive Service
SIA	Submarine Institute of Australia
SME	Small and Medium Enterprise
SMP	Submarine Maintenance Period
SRF-West	Submarine Rotational Force-West
SSN	Conventionally-armed nuclear-powered submarine
SSN-AUKUS	Future generation submarine, to be designed and delivered via a trilateral program
STEM	Science, Technology, Engineering and Mathematics
STMP	Submarine Tendered Maintenance Period
UK	United Kingdom
UNSW	University of New South Wales
US	United States of America
USS	United States Ship
WHS	Work Health and Safety

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Appendix F: List of requirements

Rule Reference	Page	Description	Requirement
17AD(g)	**Letter of transmittal**		
17AI	iii	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)	114	Alphabetical index (print only)	Mandatory
17AJ(c)	103-104	Glossary of abbreviations and acronyms	Mandatory
17AJ(d)	107-113	List of requirements	Mandatory
17AJ(e)	ii	Details of contact officer	Mandatory
17AJ(f)	ii	Entity's website address	Mandatory
17AJ(g)	ii	Electronic address of report	Mandatory
17AD(a)	**Review by accountable authority**		
17AD(a)	2-5	A review by the accountable authority of the entity	Mandatory
17AD(b)	**Overview of the entity**		
17AE(1)(a)(i)	10	A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)	11-12	A description of the organisational structure of the entity	Mandatory
17AE(1)(a)(iii)	11	A description of the outcomes and programmes administered by the entity	Mandatory
17AE(1)(a)(iv)	10	A description of the purposes of the entity as included in corporate plan	Mandatory
17AE(1)(aa)(i)	12	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	12	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	12	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	11	An outline of the structure of the portfolio of the entity	Portfolio departments Mandatory

Rule Reference	Page	Description	Requirement
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	18	Annual performance statement 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)	32-33	A discussion and analysis of the entity's financial performance	Mandatory
17AF(1)(b)	32-33	A table summarising the total resources and total payments of the entity	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, Mandatory.
17AD(d)	**Management and Accountability**		
	Corporate Governance		
17AG(2)(a)	38-39	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	iii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory
17AG(2)(b)(ii)	iii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory
17AG(2)(b)(iii)	iii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory

Rule Reference	Page	Description	Requirement
17AG(2)(c)	38	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory
17AG(2)(d) – (e)	43	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
		Audit Committee	
17AG(2A)(a)	39	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory
17AG(2A)(b)	40-41	The name of each member of the entity's audit committee	Mandatory
17AG(2A)(c)	40-41	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory
17AG(2A)(d)	40-41	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory
17AG(2A)(e)	40-41	The remuneration of each member of the entity's audit committee	Mandatory
		External Scrutiny	
17AG(3)	41	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory
17AG(3)(a)	41	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, Mandatory
17AG(3)(b)	N/A	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, Mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period	If applicable, Mandatory
		Management of Human Resources	
17AG(4)(a)	45-50	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory

Rule Reference	Page	Description	Requirement
17AG(4)(aa)	86-90	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees (b) statistics on part time employees (c) statistics on gender (d) statistics on staff location	Mandatory
17AG(4)(b)	86-90, 96-98	Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: • Statistics on staffing classification level • Statistics on full time employees • Statistics on part time employees • Statistics on gender • Statistics on staff location • Statistics on employees who identify as Indigenous	Mandatory
17AG(4)(c)	48	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)	96	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)	97	The salary ranges available for APS employees by classification level	Mandatory
17AG(4)(c)(iii)	48	A description of non salary benefits provided to employees	Mandatory
17AG(4)(d)(i)	98	Information on the number of employees at each classification level who received performance pay	If applicable, Mandatory
17AG(4)(d)(ii)	98	Information on aggregate amounts of performance pay at each classification level	If applicable, Mandatory
17AG(4)(d)(iii)	98	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, Mandatory
17AG(4)(d)(iv)	98	Information on aggregate amount of performance payments	If applicable, Mandatory
		Assets Management	
17AG(5)	43	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory

Rule Reference	Page	Description	Requirement
		Purchasing	
17AG(6)	50	An assessment of entity performance against the *Commonwealth Procurement Rules*	Mandatory
		Reportable consultancy contracts	
17AG(7)(a)	50	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)	50	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)	50	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)	50	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
		Reportable non-consultancy contracts	
17AG(7A)(a)	51	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)	51	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

Rule Reference	Page	Description	Requirement
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts**		
17AGA	52	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)	N/A	If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, Mandatory
	Exempt contracts		
17AG(9)	52	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)	52	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)	52	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that *"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website"*	If applicable, Mandatory

Rule Reference	Page	Description	Requirement
		Financial Statements	
17AD(e)	58-82	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory
		Executive Remuneration	
17AD(da)	91-95	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)	43	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]"*	If applicable, Mandatory
17AH(1)(c)	47	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory
17AH(1)(d)	43	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	44-45, 48-50	Information required by other legislation	Mandatory

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