

Australian Naval Nuclear Power Safety Regulator

Agency Resources and Planned Performance

Section 1: ANNPSR Overview and Resources	186
1.1 Strategic Direction Statement	186
1.2 ANNPSR Resource Statement	188
1.3 Budget Measures	190
Section 2: ANNPSR Revisions to Outcomes and Planned Performance	191
2.1 Budgeted Expenses and Performance for Outcome 1	192
Section 3: ANNPSR Explanatory Tables and Budgeted Financial Statements	195
3.1 Explanatory Tables.....	195
3.2 Budgeted Financial Statements	196

Australian Naval Nuclear Power Safety Regulator

Section 1: ANNPSR Overview and Resources

1.1 Strategic Direction Statement

In alignment with the 2024 *National Defence Strategy*, conventionally-armed, nuclear-powered submarines represent a central tenet of the approach to enhance Australia's capability to deter threats to its national security and contribute to regional stability. By adopting safety as a key feature for managing this unique naval capability, Australia is preserving its sovereignty, maintaining our economic connection to the world and investing in progress against the Optimal Pathway.

The establishment of the Australian Naval Nuclear Power Safety Regulator (ANNPSR) as an independent regulator on 1 November 2025 represents an enduring commitment to safety for the environment and people across the naval nuclear-powered submarine program and capability.

ANNPSR is accountable for assuring nuclear safety and radiation protection for naval nuclear power activities across Australia's nuclear-powered submarine program lifecycle, including licensing activities, monitoring and investigating to ensure compliance, and taking enforcement action where required. Defence, through the ASA, is responsible for the acquisition, delivery, sustainment and disposal of nuclear-powered submarines, and the Royal Australian Navy will continue to be responsible for submarine operations.

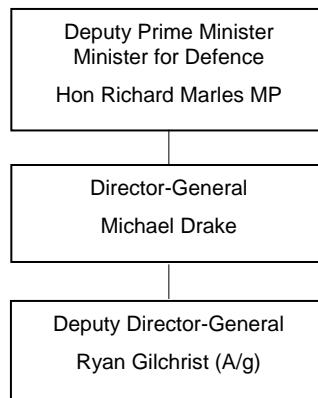
In addition to AUKUS partners, ANNPSR works in partnership with units within the Defence portfolio, and with Australian Government, state and territory departments and agencies to assure safety across the nuclear-powered submarine lifecycle.

Key priorities for ANNPSR in 2025-26 include our regulatory activities: monitoring the activities occurring under the transitional licences, which transferred from the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) on establishment of ANNPSR in relation to HMAS *Stirling*, and the assessment of a siting licence for the Nuclear-Powered Submarine Construction Yard at Osborne.

Throughout 2025-26, ANNPSR will continue to build Australian naval nuclear regulatory capability, working closely with ARPANSA, as well as other key stakeholders, such as AUKUS partners and the Australian Naval Seaworthiness Authority, on building the regulatory workforce capability ahead of Submarine Rotational Force-West in 2027.

ANNPSR Organisational Structure

Figure 2: ANNPSR Organisational Chart



Organisational Structure

ANNPSR is an independent statutory authority which operates within the Defence portfolio, contributing to the defence of Australia and our national interests by regulating naval nuclear power for those that are collectively responsible for the lifecycle of Australia's nuclear power submarine enterprise. The Director-General ANNPSR reports directly to the Deputy Prime Minister in his role as Minister for Defence, on the performance of the agency.

ANNPSR is led by the Director-General and consists of Australian Public Servants and persons assisting the regulator, including Australian Defence Force members and contracted subject matter experts. ANNPSR is responsible for regulating activities related to naval nuclear propulsion, promoting nuclear safety for the environment and people in relation to Australia's naval nuclear power, and works collaboratively with other Commonwealth regulators to support the safety of Australia's conventionally-armed, nuclear-powered submarines, Australian and international communities and the environment. ANNPSR also works with our AUKUS partners, states and territories, and industry in Australia to build capabilities and regulate activities across the nuclear-powered submarine program.

Senior Executive Changes

The following appointments have been made:

- On 1 November 2025, Mr Michael Drake was appointed as Director-General; and
- On 1 November 2025, Mr Ryan Gilchrist was appointed as Acting Deputy Director-General.

1.2 ANNPSR Resource Statement

Table 1.1 shows the total resourcing available to the ANNPSR for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and departmental (for ANNPSR's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

Table 1.1: ANNPSR Resource Statement - Budget Estimates for 2025-26 as at Additional Estimates February 2026^{[a][b][c]}

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Departmental				
Annual appropriations - ordinary annual services				
Departmental appropriation ^[a]	29,250	50,351	63,665	76,955
Annual appropriations - other services - non-operating				
Equity injection	-	-	-	-
Total departmental resourcing	29,250	50,351	63,665	76,955
Total resourcing for ANNPSR	29,250	50,351	63,665	76,955

Notes

- a. The Agency has received \$3,656,250 from the Department of Defence under a section 75 determination due to machinery of government changes, with effect from 1 November 2025.
- b. Actual results are not applicable as the Agency was not formed before the previous financial year.
- c. No revised estimate as this is the first time ANNPSR's budget is being published.

Annual Appropriations**Table 1.2: Appropriation Bill (No.3) 2025-26**

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental Outputs				
Departmental Outputs	29,250	29,250	-	-
Total	29,250	29,250	-	-

Table 1.3: Appropriation Bill (No.4) 2025-26

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating				
Equity injections	-	-	-	-
Total	-	-	-	-

1.3 Budget Measures

2025-26 Budget Measures and Other Budget Adjustments

Table 1.4: ANNPSR 2025-26 Measures Since Budget

There are no budget adjustments as the ANNPSR established on 1 November 2025.

Section 2: ANNPSR Revisions to Outcomes and Planned Performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan and annual performance statement for ANNPSR can be found at: <https://www.anbpsr.gov.au/corporate-information/corporate-publications>.

2.1 Budgeted Expenses and Performance for Outcome 1

Outcome 1: Assure the protection of people and the environment and the regulation of naval nuclear power activities across the lifecycle of Australia's conventionally-armed, nuclear-powered submarine capability.

This table shows how much the ANNPSR intends to spend (on an accrual basis) on achieving the outcome, broken down by program and departmental funding sources.

Table 2.1.1 Budgeted Expenses for Outcome 1

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 1.1 - Regulation of Naval Nuclear Power Activities				
Expenses funded by appropriation and own source revenue^[a]				
Employees	7,814	15,727	17,985	18,524
Suppliers	20,983	33,922	44,956	57,684
Other expenses	59	73	53	33
	28,856	49,722	62,994	76,241
Expenses not requiring appropriation^[b]				
Resources received free of charge	-	-	-	-
Depreciation and amortisation	453	679	679	679
Net write-down and net impairment of assets	-	-	-	-
	453	679	679	679
Total operating expenses	29,309	50,401	63,673	76,920
Capital expenditure funded by appropriation				
Purchases of non-financial assets	-	-	-	-
Principal repayments of lease liabilities	394	629	671	714
	394	629	671	714
Total capital expenditure	394	629	671	714
Total funded expenditure for Program 1.1	29,250	50,351	63,665	76,955

	2025-26	2026-27
Average Staffing Level (number)	77	92

Notes

- a. The Agency has received \$3,656,250 from the Department of Defence under a section 75 determination due to machinery of government changes, with effect from 1 November 2025.
- b. Section 74 external revenues contribution to expenditure

Table 2.1.2: Performance measures for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e. 2025-26), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025-26 budget measures that have created new programs or materially changed existing programs are provided.

Program 1.1: Regulation of Naval Nuclear Power Activities		
Program 1.1 Objective		
The ANNPSR's objectives are to protect the environment and people by providing assurance for nuclear safety of Australia's nuclear-powered submarine program, as well as promote, monitor and enforce compliance with the <i>Australian Naval Nuclear Power Safety Act 2024</i> .		
Key Activities	Performance measures	Expected Performance Results
Previous Year 2024-25	N/A.	N/A.
Year	Performance measures	Planned Performance Results
Budget Year 2025-26	<p>Conduct effective regulatory action</p> <p>Promote public confidence and trust in the regulator through public consultation and engagement.</p>	<p>Percentage of Licence applications processed in accordance with established timeframes. Target: 90%</p> <p>Percentage of planned inspections and audits completed in accordance with relevant Regulatory Oversight Plans and Annual Inspection Plans. Target: 90%</p> <p>Public enquiries received and responded within 20 working days. Target: 90%</p> <p>Conduct engagement activities with relevant stakeholders. Target: at least 20 per annum</p>

	<p>Support the AUKUS partnership by assuring nuclear safety aligned with the optimal pathway</p>	<p>AUKUS peer regulators are regularly engaged.</p> <p>ANNPSR regulatory capability is aligned with nuclear-powered submarine activities.</p> <p>Monitoring of US and UK nuclear-powered submarine visits.</p>
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.

Section 3: ANNPSR Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of ANNPSR's finances for the 2025-26 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Explanatory Tables

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted Departmental Income Statements

The ANNPSR is budgeting for a break-even result in 2025-26 and across the forward estimates, after excluding unfunded depreciation and amortisation expenses.

Budgeted Departmental Balance Sheet

The statement shows the estimated end of year position for departmental assets and liabilities and it decreases over the Forward Estimates as it is not funded for depreciation for major assets.

Budgeted Departmental Statement of Cash Flows

The statement provides information on estimates of the extent and nature of cash flows by categorising the expected cash flows against operating, investing and financing activities.

Table 3.1:Third Party Payments to and from Other Agencies^[a]

	2025-26 Estimated Actual \$'000	2025-26 Budget Estimate \$'000
Payments made to Department of Defence for provision of services (Departmental)	3,912	3,912

Note

a. Third party payments to and from other Agencies include Shared Services arrangements.

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 3.2: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June^[a]

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
EXPENSES				
Employee benefits	7,814	15,727	17,985	18,524
Suppliers	20,983	33,922	44,957	57,684
Finance Costs	59	73	53	33
Depreciation and amortisation	453	679	679	679
Total expenses	29,309	50,401	63,674	76,920
LESS				
OWN-SOURCE INCOME				
Own-source revenue				
Sale of goods and rendering of services	-	-	-	-
Rental income	-	-	-	-
Total own-source revenue	-	-	-	-
Gains	-	-	-	-
Total gains	-	-	-	-
Total own-source income	-	-	-	-
Net cost of (contribution by) services	-29,309	-50,401	-63,674	-76,920
Revenue from Government	29,250	50,351	63,665	76,955
Surplus/(Deficit) attributable to the Australian Government	-59	-50	-9	35
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserves	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-59	-50	-9	35
Note: Impact of net cash appropriation arrangements				
	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	-59	-50	-9	35
plus: depreciation/amortisation expenses for ROU assets ^[b]	453	679	679	679
less: principal repayments on leased assets ^[b]	394	629	670	714
Net Cash Operating Surplus/(Deficit)	-	-	-	-

Notes

- a. Prepared on Australian Accounting Standards basis.
- b. Applies leases under AASB 16 Leases.

Table 3.3: Budgeted Departmental Balance Sheet (as at 30 June)^[a]

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	500	500	500	500
Trade and other receivables	6,655	6,736	6,820	6,906
Total financial assets	7,155	7,236	7,320	7,406
Non-financial assets				
Land and buildings	2,716	2,037	1,358	679
Property, plant and equipment	-	-	-	-
Intangibles	-	-	-	-
Total non-financial assets	2,716	2,037	1,358	679
Assets held for sale	-	-	-	-
Total assets	9,871	9,273	8,678	8,085
LIABILITIES				
Payables				
Suppliers	1,440	1,440	1,440	1,440
Other payables	454	454	454	454
Total payables	1,894	1,894	1,894	1,894
Provisions				
Employee provisions	2,709	2,790	2,874	2,960
Lease Liability	2,775	2,146	1,475	761
Total provisions	5,484	4,936	4,349	3,721
Total liabilities	7,378	6,830	6,243	5,615
Net assets	2,493	2,443	2,435	2,470
EQUITY				
Contributed equity	2,552	2,552	2,552	2,552
Reserves	-	-	-	-
Retained surplus/(accumulated deficit)	-59	-109	-117	-82
Total Equity	2,493	2,443	2,435	2,470

Note

a. Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June) ^[a]**

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations	22,745	50,270	63,581	76,869
Sale of goods and rendering of services	-	-	-	-
Total cash received	22,745	50,270	63,581	76,869
Cash used				
Employees	4,651	15,646	17,901	18,438
Suppliers	19,752	33,995	45,009	57,717
Total cash used	24,403	49,641	62,910	76,155
Net cash from (used by) operating activities	-1,658	629	671	714
INVESTING ACTIVITIES				
Cash used				
Purchase of non-financial assets	-	-	-	-
Lease Liability - Principal payments	394	629	671	714
Total cash used	394	629	671	714
Net cash from (used by) investing activities	-394	-629	-671	-714
FINANCING ACTIVITIES				
Cash received				
Contributed equity	2,552	-	-	-
Total cash received	2,552	-	-	-
Net cash from (used by) financing activities	2,552	-	-	-
Net increase/(decrease) in cash and cash equivalents held	500	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	500	500	500
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	-	-	-	-
Cash and cash equivalents at the end of the reporting period	500	500	500	500

Note

a. Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental Statement of Changes in Equity - Summary of Movement
(Budget Year 2025-26)^[a]**

	Retained Earnings \$'000	Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity \$'000	Asset Total Equity \$'000
Opening balance as at 1 July 2025	-	-	-	-	-
Comprehensive income					
Comprehensive income recognised directly in equity	-	-	-	-	-
Subtotal Comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income recognised directly in equity	-	-	-	-	-
Transactions with owners					
Contributions by owners					
Equity Injection ^[b]	-	-	-	2,552	2,552
Subtotal transactions with owners	-	-	-	2,552	2,552
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2026	-	-	-	2,552	2,552
Closing balance attributable to the Australian Government	-	-	-	2,552	2,552

Notes

- a. Prepared on Australian Accounting Standards basis.
- b. The Agency will receive \$2,552,690 from the Department of Defence for transfer of employee liabilities due to machinery of government changes, with effect from 1 November 2025.

Table 3.6: Statement of Departmental Asset Movements (Budget Year 2025-26)^[a]

	Buildings \$'000	Plant and Equipment \$'000	Other \$'000	Total \$'000
Opening balance as at 1 July 2025				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ^[b]	-	-	-	-
By purchase - appropriation ordinary annual services ^[c]	-	-	-	-
By purchase - right of use	3,169	-	-	3,169
Total additions	3,169	-	-	3,169
Other movements				
Depreciation/amortisation expense	453	-	-	453
Total other movements	453	-	-	453
Closing balance as at 30 June 2026				
Gross book value	3,169	-	-	3,169
Accumulated depreciation/amortisation and impairment	-453	-	-	-453
Closing net book balance	2,716	-	-	2,716

Notes

- a. Prepared on Australian Accounting Standards basis.
- b. 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No.2) 2025-26*.
- c. 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No.1) 2025-26* for depreciation/amortisation expenses, DCBs or other operational expenses.

3.2.2 Notes to the Financial Statements

The financial statements have been prepared in accordance with the Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*.

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