

ANI Statement of Corporate Intent 2025/26

Covering reporting period 2025/26 to 2028/29



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Introduction

Aerial view of ONS on the Lefevre Peninsula

Introduction to ANI

Australian Naval Infrastructure Pty Ltd (ANI or the Company) is a Commonwealth Company and a Government Business Enterprise (GBE), classified as a Public non-Financial Corporation (PnFC).

ANI's primary function is to support the Commonwealth's continuous naval shipbuilding program by being the owner, developer and manager of infrastructure and related facilities. ANI is tasked with providing access and efficiently and effectively managing the infrastructure in a manner that ensures an integrated and coordinated approach to delivery of the shipbuilding program.

ANI's sole focus is on the Osborne Naval Shipyard (ONS) located on the Lefevre Peninsula to the north of Adelaide. The ONS has a long history with naval shipbuilding and sustainment, including the build and sustainment of the fleet of six Collins class submarines, the build of three Hobart class destroyers, and more recently the build of two Arafura class offshore patrol vessels.

The current operational focus of the ONS is for the build of the Hunter class frigates by BAE Systems Maritime Australia (BAESMA), and the full cycle dockings and life of type extensions (LOTE) for the Collins class submarines by ASC Pty Ltd (ASC).

The announcement by the Commonwealth Government in March 2023 of the optimal pathway for the procurement of Australia's conventionally armed, nuclear-powered submarines (NPS) heralded a new era

for ANI. The ONS has been selected by the Government as the preferred site for the construction of Australia's fleet of SSN-AUKUS submarines, and ANI has been tasked with the development of the necessary shipyard infrastructure.

The NPS Construction Yard (NPSCY) will be a highly complex, multi-billion dollar undertaking which will be developed over the next decade. The nuclear licensed facilities for the receipt and storage of the power unit, which will be manufactured in the United Kingdom, and the consolidation, launch and set to work of the NPS will need to be designed and constructed to very exacting nuclear requirements.

To achieve this, ANI is undergoing a significant transformation, as the company prepares itself for playing its role in this very significant national endeavour.

Shareholder Ministers and reporting period

ANI's joint shareholders are the Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP and the Minister for Finance, Senator the Hon Katy Gallagher.

This Statement of Corporate Intent has been prepared in accordance with section 95(1) of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

ANI does not have any subsidiaries.



Aerial view of Osborne Naval Shipyard

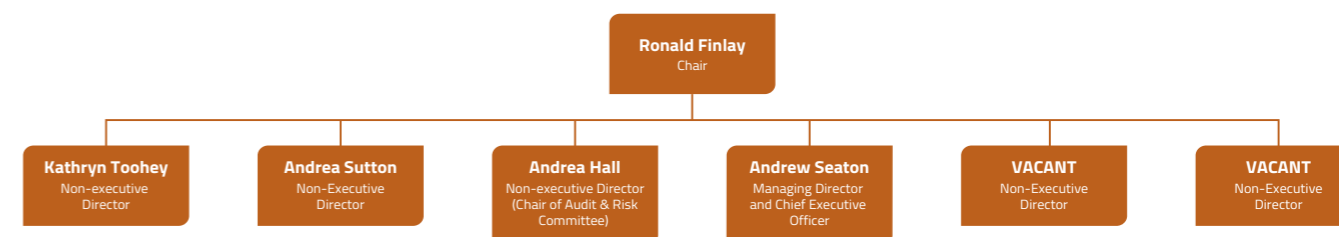
Organisational structure

ANI Board

ANI's Board is appointed by, and reports to, both the Minister for Defence and the Minister for Finance as Shareholder Ministers. The Board is accountable to the Shareholder Ministers for the overall strategic direction, management and corporate governance of ANI.

The ANI Board currently comprises five members, with two positions having become vacant on 26 June 2025. A process is underway to finalise candidate recommendations for submission to Shareholder Ministers to fill those two vacancies. The Board is chaired by an independent non-executive director and the roles of Chair and Managing Director are separate. The Managing Director is the only executive director on the Board and is also the Chief Executive Officer. The current Board composition is depicted below.

ANI Board



Andrew Seaton, Managing Director and Chief Executive Officer (left) with Ronald Finlay, Chair (right)

Organisational growth

ANI has grown significantly in the last 18 months as the organisation has increased its resources to support the significant undertaking of the NPSCY, as well as the associated operational and corporate functions necessary to support that undertaking, in addition to managing the base business.

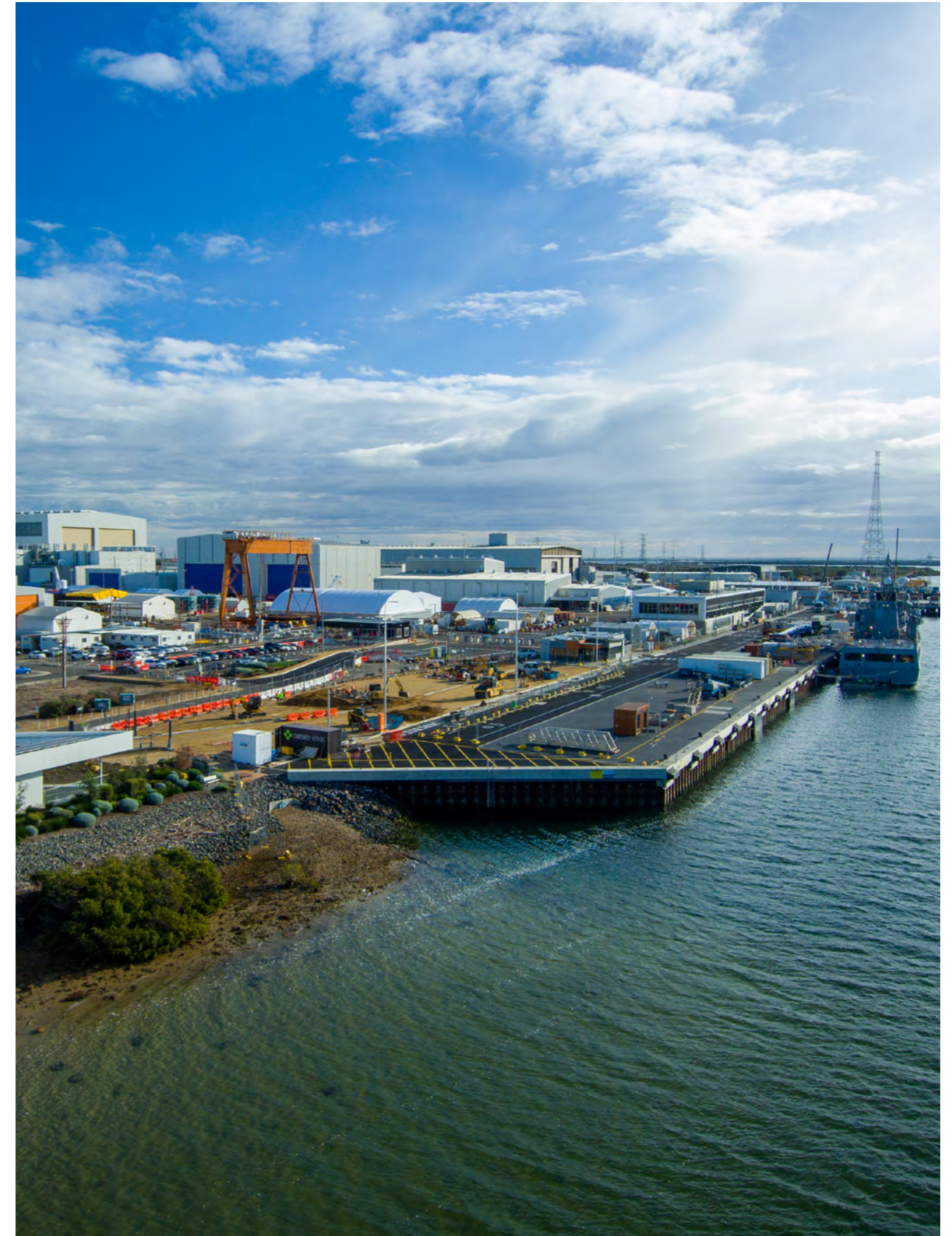
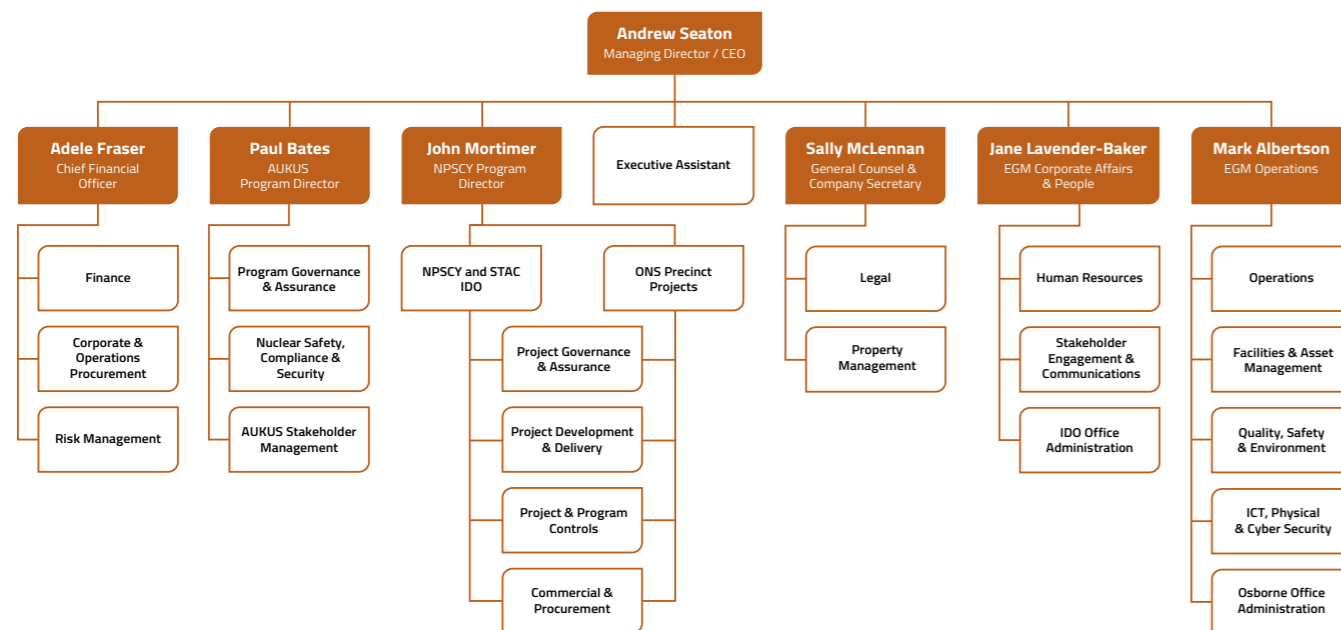
As at 30 June 2025, ANI has 105 employees. A high-level depiction of ANI's organisational structure, which is subject to ongoing change, is set out below.

ANI expects continued growth in its direct workforce in this Statement of Corporate Intent period across all areas, as it continues to grow its owner's team for the NPSCY program, its nuclear capability as a future licence holder for nuclear regulated facilities, and its corporate teams to support the increased workforce, transactions and responsibilities.

All ANI employees are based in South Australia, at either ANI's office at Osborne, or at the Integrated Delivery Office (IDO) in Adelaide. 95% of ANI employees are full-time, with 5% working part-time, and 67% male and 33% female.

Further details on ANI's human resources approach and practices are outlined in Section 8.

ANI organisational structure



ANI Osborne office and wharf extension



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ANI's purpose

ONS-S shipyard

ANI's role and objectives

ANI's purpose is defined in its Constitution as follows:

Primary object

To support the Commonwealth's continuous naval shipbuilding program through:

- acquiring, holding, managing and developing the infrastructure and related facilities used in connection with this program, and
- efficiently and effectively managing this infrastructure (including providing access) in a manner that ensures an integrated and coordinated approach to the delivery of all elements of this program.

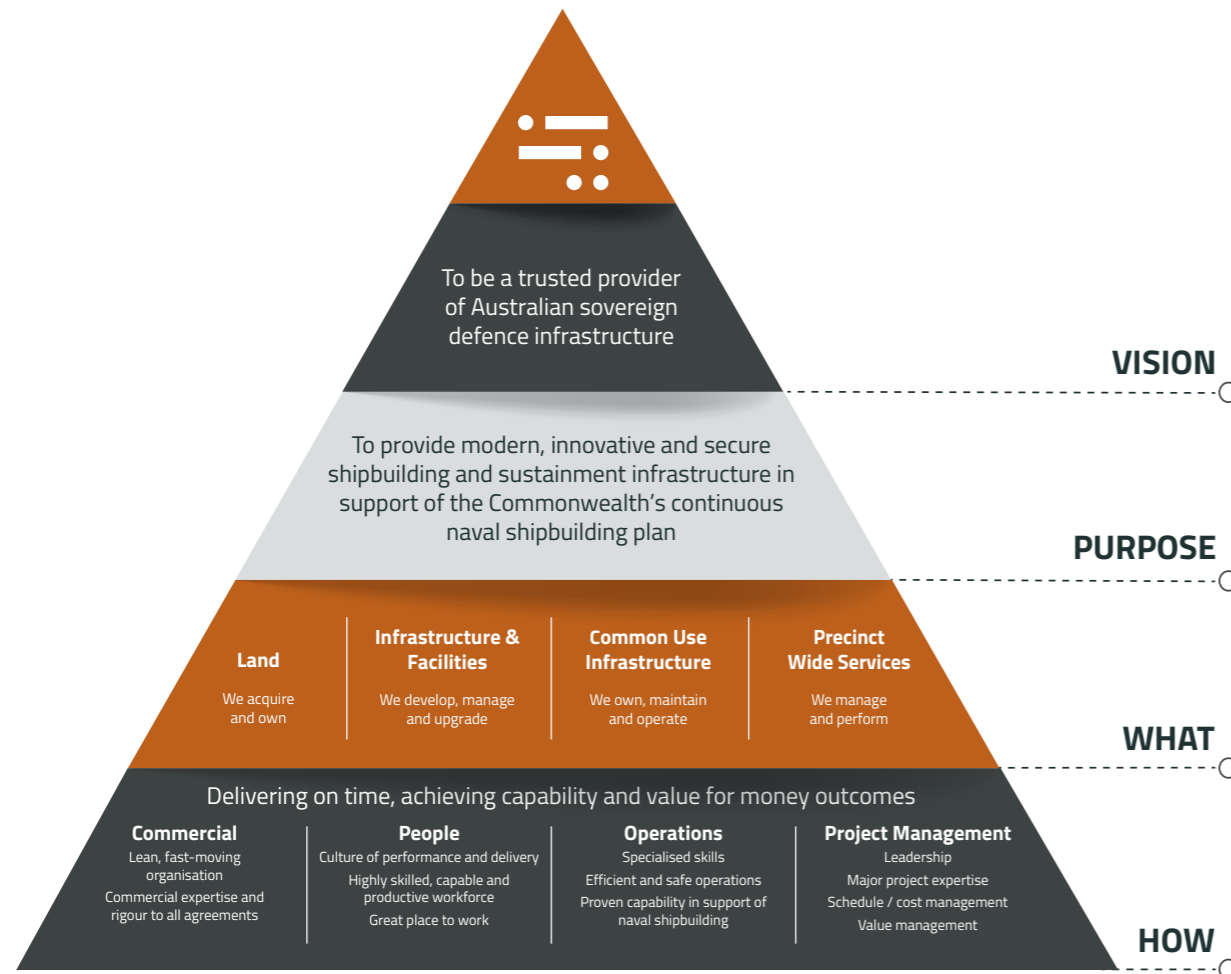
Secondary object

To undertake commercial activities related to the primary object, while not compromising achievement of the primary object.

Strategic plan

ANI's vision, purpose and strategy for delivering on the above objectives is depicted in the following diagram, and is underpinned by ANI's governance framework, including the Statement of Expectations (SoE).

This Statement of Corporate Intent provides detailed commentary on achievements to date in respect of this strategy and key priorities in implementing this strategy.



Values

ANI's values, as depicted below, represent the way the ANI team behaves and operates in pursuing its objectives.



ANI as a GBE

ANI is prescribed as a GBE, reflecting the following key characteristics:

- significant business undertakings at arm's length from the Government
- operates in an established private sector market (infrastructure development and providing facilities for shipbuilding and sustainment)
- a strong focus on generating commercial returns
- an independent board to enable the Company to make commercial decisions about its operations, and
- staffed by appropriately experienced and skilled employees.

Community service obligations

ANI does not operate under any specific community service obligations.



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Operating environment

Aerial view of the wharf extension at ONS-S

There are a number of factors across Australia's policy, economic, regulatory and social and environmental landscape that present implications for ANI in delivering on its purpose over the coming Statement of Corporate Intent period.

Most notably:

- **Government policy:** Specifically, the outcomes of the Defence Strategic Review articulated in the April 2024 National Defence Strategy, and the December 2024 Naval Shipbuilding and Sustainment Plan.
- **Regulatory environment:** Including State and Commonwealth planning and approvals processes together with the anticipated transition in the Corporate Plan period to the new Australian Naval Nuclear Power Safety Regulator (ANNPSR).
- **Construction environment:** While efforts have been made to address Australia's infrastructure pipeline in response to cost and labour constraints, there remains a gap between demand and market capacity to deliver.
- **Social licence:** Importance of meeting increasing expectations from the community for transparency, consultation, management of construction impacts and benefits realisation in the planning and delivery of major projects.
- **Collaboration with key stakeholders:** Continuing to foster collaborative relationships and leverage the skills and experience of the broader enterprise for mutual benefit and program success.

Government policy

Government policies key to ANI's context and priorities include the:

- Australian National Defence Strategy, released in April 2024, and
- Naval Shipbuilding and Sustainment Plan released in December 2024.

In April 2024, the Australian Government introduced its first National Defence Strategy (NDS), establishing a unified framework for maritime, land, air, space and cyber – to protect Australia's security interests. Responding to what Defence describes as the most demanding security environment since World War II, the NDS is aimed at defending Australia's coastline and near region, safeguarding critical trade routes, and working with allies to uphold regional stability.

Australia's maritime capability sits at the heart of the NDS, and in December 2024, the Commonwealth

announced the 2024 Naval Shipbuilding and Sustainment Plan, committing up to \$159 billion over the next decade to deliver maritime capability to the Australian Defence Force and uplift the maritime industrial base.

For ANI, this confirms a critical and long-term pipeline of work that is central to its purpose to support continuous naval shipbuilding and enables longer-term planning across a range of areas including asset management, workforce development and capability, and delivery of a long-term capital works program across the ONS.

ANI's role is central to this plan, as it involves the development and management of shipyard infrastructure necessary for the construction and sustainment of naval vessels, including conventionally-armed NPS and frigates. The plan's focus on continuous naval shipbuilding and sustainment underscores the need for long-term infrastructure planning and investment, areas where ANI's expertise is critical.

In addition to the Defence Strategy and Naval Plan outlined above, it is important to recognise the passing of the *Defence Trade Controls Amendment Act 2024* (Cth).

The aim of this Act is to enhance the protection and safeguarding of Australian technology and information, and it introduces a licence-free environment for most military and dual-use goods and technology transfers between Australia, the United Kingdom, and the United States.

This regulatory change facilitates more efficient collaboration with AUKUS partners, and ANI is progressing internal training and system upgrades to support the strict access and transfer requirements enabled under these new arrangements.

Regulatory environment

The *Australian Naval Nuclear Power Safety Act 2024* (Cth) (ANNPS Act) establishes a new legislative framework to promote and regulate the nuclear safety of activities related to AUKUS submarines. The supporting regulations are currently under development and expected to be implemented by November 2025.

This new regime will operate in conjunction with other existing nuclear regulation including the *Australian Radiation Protection and Nuclear Safety Act 1998* (Cth) (ARPANS Act) and the *Nuclear Non-Proliferation (Safeguards) Act 1987* (Cth) which is regulated by the Australian Safeguards and Non-Proliferation Office (ASNO).



Aerial view of STAC site and Link Road

The new regulator to be established under the ANNPS Regulations is expected to be in place by the end of 2025.

To support this transition, ANI has engaged with the ANNPS regulatory team to review the draft regulations and provide early feedback through the consultation process. In addition, ANI will maintain and progress with ARPANSA as part of the current site licencing process, referred to in Section 5.

Construction environment

Global context

Global trade tensions, arising out of competition between major powers presents a far more complex and volatile decision-making environment for nations when it comes to sourcing and procurement. Against this backdrop, reduced economic growth, supply chain disruptions and geopolitical tensions will continue to have implications for major project delivery.

Economically, many of the world’s largest economies are growing more slowly than they expected at the start of the year. Central banks have kept interest rates high to bring down inflation, increasing the cost of financing.

Understandably, governments are being far more prudent about the economic benefits of infrastructure investment and this presents a healthy challenge for ANI as a GBE to demonstrate the economic returns of the Government’s investment as well as the broader economic, productivity and Defence capability benefits it enables through project delivery. For the NPSCY program, capitalising on the benefits for South Australia and Australia will be critical.

Volatility in commodity markets, particularly construction materials such as steel, will continue to make project material supply forecasting more difficult to predict for long-term complex projects.

To manage this risk, ANI is ensuring that appropriate escalation and contingency allowances are applied to cost estimates. It will also work closely with its delivery partners to consider innovative supply and manufacturing solutions as part of its strategic procurement strategy.

For global supply chains, the increasing significance of climate induced major weather events, and local conflicts have the potential to drive up transport costs. ANI, with its delivery partners, will ensure

that diverse supplier arrangements are pursued and appropriate lead times for materials supply are built into project schedules.

Australian context

According to Infrastructure Australia’s 2024 Infrastructure Market Capacity Report, the five-year Major Public Infrastructure Pipeline (financial years 2023-24 to 2027-28) stands at \$213 billion. This represents an eight percent reduction compared to the prior year’s outlook as the Commonwealth and State governments actively manage demand to address market capacity.

Notwithstanding, delivery challenges will continue as demand outpaces supply.

Construction material costs have been especially volatile across all infrastructure sectors in Australia, driven by the increased cost of steel and concrete, and while this has eased somewhat, the overall cost of materials is expected to continue to challenge the sector.

Labour supply and skills shortages remain the most significant challenge for the Australian construction sector, notwithstanding that Infrastructure Australia’s projection that the total shortfall in the workforce required to deliver on Australia’s five-year pipeline has eased by around 20 percent as demand softens and supply growth continues.

National and State based reforms and policy initiatives are underway, including the National Infrastructure Workforce Strategy under the 2024 National Skills Agreement and BuildSkills Australia workforce plan for the built environment. These reforms are expected to start to have an impact from 2026-2028.

However, significant gaps remain across a number of disciplines key to ANI’s operations, asset management and project delivery priorities, including engineers, architects, trades, labourers and project management professionals.

South Australian context

Locally, South Australia’s \$25.6¹ billion five-year infrastructure program across transport, health, housing and utilities will continue to challenge local capacity. Projects including the final stage of the \$15.4 billion North–South Corridor and \$3.2 billion Women’s & Children’s Hospital redevelopment are expected to place

high demand on the metropolitan trade and project management workforce – the same market from which ANI sources its workforce. As major projects overlap in schedule, this intensifies the impact on the labour market locally.

The delivery and construction of the NPSCY is estimated to employ around 4,000 workers at Osborne. ANI has commenced engagement with the construction industry who have confirmed the challenges this project will present for the local market, and the high likelihood of the need to broaden the approach to market nationally and potentially internationally in order to secure required trades and materials. ANI will continue close engagement with the market as it progresses its delivery strategy.

Social licence

Maintaining a social licence to construct and deliver is a critical success factor for mega projects around Australia. While regulatory compliance is an essential starting point, community acceptance and trust play a defining role in enabling long-term project viability and operational continuity.

ANI’s approach will include:

- Undertaking early, genuine, and ongoing engagement with local stakeholders, including Traditional Owners.
- Continuing to expand ANI’s access to stakeholder and strategic communications expertise to support an increasing community engagement effort as the NPSCY program activity increases.
- Coordinating with Commonwealth and State Governments, local council and other stakeholders to ensure consistent communications and issues management plans.
- Reviewing ANI’s digital platforms and external communications and engagement approaches to ensure they are reaching residents, businesses and decision makers effectively.
- Monitoring the sentiment of local and national community and special interest groups, and anticipating and addressing potential concerns and issues.



Eastern entry works under construction

1 South Australian Department of Infrastructure and Transport



Link Road construction

Collaboration with key stakeholders

ANI's collaboration with key stakeholders within the ASA, Defence and with its Shareholder departments remains key to the successful delivery of the NPSCY.

The combined leadership and technical know-how of the enterprise partners that ANI works with provides enormous value to the delivery task. This collaboration includes with the ASA, ANI's Shareholder departments, ASC and BAE Systems as the Australian Shipbuilder, regulators, the State Government, US and UK AUKUS partners, ANI's design and construction partners, the local council, and the community.

Further leveraging the benefit of this broad enterprise will be crucial to the ongoing success of the AUKUS program, extending beyond leadership and technical subject matter collaboration to working together on shared opportunities and challenges across the regulatory, workforce and social licence landscape.



4

Key activities – base business

Aerial view of ONS and surrounds

ANI is the owner, landlord, manager and developer of facilities and infrastructure within the established ONS footprint, and the owner and operator of common use infrastructure.

ANI has taken action to improve collaboration and transparency with shipyard tenants and Defence program teams. The primary focus of these interactions has been to better understand capital requirements across the ONS from all perspectives. In addition to these initiatives, which will continue, ANI has committed to meeting regularly with key stakeholders to ensure that the conversations are ongoing and that decisions mature over time rather than collecting feedback at a single point in time.

In developing and refining the capital priorities for the ONS, the need for a whole-of-site master-planning exercise involving all relevant stakeholders has become clear. ANI has undertaken to prioritise and drive this exercise during 2025 to facilitate more accurate long-term capital planning and will work with stakeholders to develop an appropriate framework and methodology.

Owner of infrastructure

In order to deliver on its primary object as outlined in Section 2, ANI has progressively acquired and is the owner of extensive landholdings across the ONS precinct, representing a footprint of approximately 192 hectares.

The ONS is referred to as comprising two zones, as depicted in Figure 3.1:

- **Osborne South (ONS-S)** which is dedicated for shipbuilding programs and includes the Common User Facility (CUF), as well as supporting administrative buildings and ancillary areas, and
- **Osborne North (ONS-N)**, which is dedicated for submarine programs, including sustainment and includes the preferred site for the NPSCY and the site for the Skills and Training Academy Campus (STAC).

Figure 3.1 Current ONS footprint



Preparing for docking operations

ONS-S

The ONS-S shipyard is the site used for surface shipbuilding programs including:

- the Offshore Patrol Vessel (OPV) program by Luerssen
- the Hunter class frigate program (HCFP) by BAESMA, and
- the Destroyer Capability Enhancement program (DCE) by BAESMA.

ONS-N

The ONS-N Collins Class Sustainment Facility (CCSF) is used for the sustainment of the Collins class submarines (CCSM) by ASC. The remainder of the ONS-N precinct is dedicated to the development of the NPSCY and associated supporting infrastructure and the STAC.

Landlord function

At ONS-S, ANI grants access to relevant facilities to Luerssen and BAESMA under licence agreements to facilitate them meeting their Defence program requirements and in accordance with the IMS. Separate CUI User Agreements provide for access to, and use of, CUF areas and services provided by ANI, as outlined below.

The OPV program’s occupancy at ONS-S is due to conclude in Q4 2025.

BAESMA now occupies the majority of the ONS-S shipyard for the HCFP and will progressively take up the remainder of the yard following departure of the OPV program. BAESMA will co-ordinate use of necessary

facilities in support of the DCE program with the related BAE entity contracted to Defence to perform that work.

ANI also leases Building S101 (a training facility adjacent the ONS-S shipyard) to BAESMA and grants non-exclusive access to various carparking areas for shipyard worker parking under a series of licences.

At ONS-N, ASC occupies the CCSF under legacy arrangements, and ANI and ASC are continuing to negotiate a new lease to replace those legacy arrangements.

ANI also leases part of the Combat Systems Physical Integration Facility (CSPIF) at ONS-N to ASC to accommodate its personnel working on the CCSM LOTE program.

In addition to granting access to ANI owned infrastructure and facilities, ANI provides precinct services and performs facilities management functions as outlined on the following pages.

Manager of infrastructure

ANI owned and operated ONS-S facilities

Osborne office

ANI’s Osborne office is located at the entrance to the CUF and adjacent to the ONS-S shipyard. This office and CUF offices accommodate ANI’s operations and facilities teams, together with some precinct project and corporate personnel.

CUI operations and services

ANI owns and operates the CUF, providing services to support the shipbuilding programs including provision of hardstand and wharf space, docking and undocking of vessels, and ship and block movements utilising ANI’s fleet of self-propelled modular transporters (SPMTs).

Facilities management

ANI’s facilities management function covers a wide range of activities aimed at ensuring the long-term integrity and sustainability of the critical infrastructure at the ONS. This includes managing ANI’s own responsibilities as owner of the assets and performing an audit and inspection role in ensuring ANI’s tenants are meeting their maintenance obligations under their tenancy arrangements.



ONS-S Marine Works including shiplift upgrades



Blast and paint facility (Building 18A) under construction

ANI maintains its own facilities, including the CUF, the Osborne office and the Security Operations Centre (SOC) at the entrance to the CUF.

ANI manages all carparking areas located external to the shipyard perimeter fence (excluding the CCSF carpark which is considered part of the CCSF yard and maintained by ASC as part of its tenancy). This includes maintenance, landscaping and security installations. ANI also manages the maintenance of the HV infrastructure across the ONS-S shipyard, CUF and the CSPIF.

Under the terms of ANI's access agreements, tenants are responsible for the maintenance of tenanted facilities, however ANI performs an oversight, inspection and audit role to ensure the facilities are being maintained appropriately and in accordance with the access agreements. ANI is responsible for capital and structural work. ANI's facilities team co-ordinates those activities, including liaising with the tenants to minimise disruption to programs.

ONS-N CCSF

ANI has progressed a program of works to upgrade systems at the CCSF.

ANI continues to engage with ASC to understand requirements for general facility upgrades at the CCSF, noting the ageing nature of the facility.

Solar panel installation

In FY24/25, ANI completed the installation of solar panels on key buildings within the ONS including ANI's office and buildings S1, S6 and S20 at ONS-S.

Building management systems

ANI completed the process of adding billing functionality to the building management system (BMS) which was installed in 2020. The tenant billing system now includes the incorporation of all electrical, gas and water meters, allowing ANI to generate usage reports for individual buildings within the ONS-S shipyard. This information will be able to be used to provide an understanding of the environmental impact of each building, as well as the benefits of installing the solar systems referred to above.

Capital and structural work

For the CUI, and as landlord under ANI's shipyard tenancy arrangements, ANI retains responsibility for capital and structural work, which includes repair or

replacement of infrastructure at the end of its useful life, structural repairs caused by storm damage or other natural disaster or works of a capital or structural nature required for legal compliance.

Asset management

ANI has undertaken a maturity assessment of its asset management system in relation to ISO 55000, the international standard for managing assets. The maturity assessment identified a number of areas to be addressed in order to meet the standards required for compliance to ISO 55000. ANI has been, and will continue to work through these actions, including collating sufficient historical evidence such that, by the end of 2026, it is in a position to undertake the ISO 55000 readiness and certification process. This process takes 12 months to complete and for certification to be awarded.

Reliability engineering support and consultation with tenants

ANI's reliability engineers work closely with shipbuilding tenants to investigate any equipment faults and defects. They also play a liaison role and provide support to ANI's project teams during the design phase of minor projects to share lessons learnt and to provide insight on operational needs to ensure that project outcomes will meet the needs of the tenants.

Precinct services

ANI provides certain precinct-wide services to facilitate a common approach and achieve economies of scale.

Precinct physical security

ANI is responsible for security guarding services across the precinct, on behalf of itself and its tenants. ANI contracts the guarding services provider, MSS Security, and the tenants receive the benefit of that service and provide day-to-day instruction to the guards as to their specific site and program requirements and security procedures.

ANI also maintains the perimeter fencing including CCTV, the SOC at ONS-S and other security facilities (huts, boom gates) outside of the CCSF and shipyard perimeter.

Developer of infrastructure

Separate to the NPSCY program of works, ANI undertakes various projects to develop infrastructure in and around the ONS, including in-fill projects in the operating shipyards, to support the shipbuilding programs.

Development projects completed in FY24/25 or approaching completion in the near term include the following.

Building 22C – outfitting support facility and access towers/platforms

Building 22C is a new outfitting support facility annexed to Building 22 in the ONS-S shipyard. The project to develop this facility to BAESMA's functional requirements commenced in September 2023 and achieved practical completion on schedule in December 2024, and within budget. Following completion and a handover process, the building was licensed to BAESMA in early February 2025.

In addition to this building, ANI procured the design and build of a series of access towers and platforms to provide functional access for ship consolidation within Building 22. This comprises nine internal access and utility towers providing safe and efficient access to the ships. The access towers were progressively installed in Q1 2025 with commissioning completed in May 2025.

Marine works

In 2024/25, ANI commenced a major package of marine works at the CUF, initially through an early contractor involvement (ECI) phase and then through a construction contract with McConnell Dowell. This work comprised multiple elements including:

- extending the existing wharf to accommodate two major combatant vessels alongside
- shiplift upgrades and modifications to increase the lifting capacity to support the HCFP and accommodate movement of vessels on and off the shiplift using SPMTs
- upgrades of the eastern dry berth, and
- maintenance dredging of the shiplift pocket.

Practical completion of all elements was achieved on schedule progressively from December 2024 (shiplift and maintenance dredging) through to Q1 2025. A further associated element of work to undertake the

shipyard east entrance upgrade is continuing with civil works due for completion in Q2 2025. Lighting and security works will be completed in early Q3 2025.

Building 18A – additional blast and paint chamber

Building 18A is an additional blast and paint facility being developed adjacent to the existing blast and paint facility (Building S18) in the ONS-S shipyard. The facility has been developed to meet BAESMA's functional requirements with Built Environs contracted by ANI for delivery of the facility. The building is targeted for completion by the end of 2025 and remains on track to achieve that milestone. Primary structures were complete in Q1 2025 with installation of services and first fix progressing in Q2 2025.

Once complete, the building will be handed over and licensed to BAESMA in support of the HCFP.

In addition, development projects recently commenced or due to commence in the near term include the following.

Building S05 modernisation – maintenance workshop refurbishment

Refurbishment of Building S5 has been planned for several years, pending the facility being vacated by the OPV program. Although the OPV program remains in occupancy of part of the facility, the areas to be refurbished were vacated in Q1 2025 allowing ANI to progress with procurement of a contractor to undertake the works. Sarah Constructions has now been contracted to undertake the works, which involves upgrades and expansion of the electrical workshop, construction of an undercover truck offloading area and area for storage of dry materials, and maximising warehousing space.

ONS-S carparking

ANI has been developing the ONS-S southern Mersey Road entrance and carparking area to provide 263 shipyard worker carparks and installation of a security hut. This includes facilitating a traffic rejection and turnaround area in accordance with the original development plan conditions for the ONS-S shipyard.

CCSF – blast and paint facility modernisation

ANI has continued to work closely with ASC to develop a proposed scope of work to refurbish and upgrade the blast and paint facilities at the CCSF. The design layout is now settled and ANI has appointed an ECI partner,

Oliver Technologies, to provide specialist blast and paint trade input into the design finalisation.

CCSF shiplift refurbishment

ANI established a program of refurbishment works for the CCSF shiplift to ensure the shiplift's integrity and functionality for the longer term. The work was split into two stages, the first of which is complete. Stage 2 involves a substantive program of works including system upgrades.

CUF wharf power upgrade

ANI is planning to undertake an upgrade of the CUF wharf switchroom to provide for 60Hz 460V power conversion directly to ships berthed at the wharf, including a new power converter room.



Link Road under construction



5

Key activities – NPSCY

Aerial view of Lefevre Peninsula including preferred NPSCY site at ONS-N

NPSCY infrastructure design progression

ANI has continued to work closely with the ASA to progress design for the new NPSCY.

An artist's impression of the proposed NPSCY layout is depicted below:



In April 2025, ANI's design partner for Area 1, Kellogg Brown & Root Pty Ltd (KBR) progressed design to 30% completion (concept design).

It is envisaged that critical Area 1 facilities will be fast-tracked for construction.

ANI's design partners Aecom Australia Pty Ltd and Aurecon Australasia Pty Ltd (AAJV, an unincorporated joint venture) continued to progress with design development for Areas 2 and 3.

Area 2 and Area 3 design deliverables will inform the schedule requirements for the fast-track delivery of any identified critical facilities.

Enabling infrastructure

ANI has progressed with the enabling infrastructure works package that includes the design and construction of the Link Road (grade separated road over the freight train rail corridor) and relocation works of above and in-ground utilities which currently run through the NPSCY footprint.



Link Road

The completed Link Road aims to provide connectivity and access to facilities within the NPSCY site.

In December 2024, the Link Road construction contract was awarded to Acciona Construction Australia Pty Ltd (Acciona), following which Acciona mobilised to commence site preparation works.

In January 2025, ANI's design partner, SMEC Australia Pty Limited (SMEC) issued construction documentation to Acciona to undertake construction works.

The Link Road project is due for completion in 2026.

Left: An artist's impression of the Link Road

Below: Link Road construction in progress



Utilities relocation

To prepare the site for the construction of the NPSCY, major power and gas utilities are required to be relocated. These works include the relocation of ElectraNet's powerlines, SEAGAS and Epic Energy gas pipelines.

In February 2025, relocation routes for all utilities were determined, and engineering design works have commenced.

As compliance with the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) is required for utility relocations, ANI submitted the EPBC referral to the Department of Climate Change, Energy, the Environment, and Water (DCCEEW) on 2 May 2025.

PDF

ANI has continued to fast-track the development of the PDF in Area 1. These facilities aim to provide initial training and qualification for fabrication activities and will be used in the longer term as part of the submarine production flow.

In January 2025, a Managing Contractor Contract was awarded to Hansen Yuncken Australia Pty Ltd (Hansen Yuncken) with immediate mobilisation to commence site preparation and demolition works.

Procurement of trade packages continues with the prioritisation of critical path packages to enable Hansen Yuncken to undertake construction works.

Procurement for equipment items associated with the PDF has continued.

NPSCY siting licence

ANI is required to submit an application under the existing regulatory regime for nuclear facilities, being the ARPANS Act and Australian Radiation Protection and Nuclear Safety Regulations 2018 (Cth) (ARPANS Regulations) to 'prepare a site for a controlled facility' in relation to Area 3 of the NPSCY.

ANI's application was submitted to the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) on 1 April 2025.

Under the ANNPS Act, ANI will also be required to hold a licence for constructing a naval nuclear propulsion (NPP) facility, and preparations are currently underway to prepare that licence application for submission. Subject to understanding the requirements under the yet to be finalised ANNPS Regulations, ANI's expectation is

that it will require this licence in relation to Area 3 of the NPSCY, and that the licence will need to be in place prior to any construction works (i.e. development of any permanent structures) in Area 3.

To demonstrate ANI's capability to effectively manage nuclear safety as a licence holder of nuclear regulated facilities, ANI is working to develop and implement a strategy that will, over time, establish and maintain ANI's nuclear baseline. This will involve demonstrating that ANI's organisational structure, staffing and competencies are, and remain, suitable and sufficient to manage nuclear safety throughout ANI's business. Where ANI is a nuclear licensee, it will need to demonstrate that it has the ability to understand hazards and safety cases and to control activities so that they remain safe, and that it remains in control of activities that could impact on nuclear safety under all foreseeable circumstances throughout the nuclear licensed facilities lifecycle.

Commonwealth and State planning approvals

The proposed NPSCY development has been classified as an 'Impact Assessed' project by the South Australian Minister for Planning. This classification is reserved for major projects that hold significant economic, social, or environmental importance for South Australia.

In response to this requirement, in December 2024, ANI submitted the Environmental Impact Statement (EIS) for the NPSCY site.

In addition, the ASA submitted the Strategic Assessment of the Osborne Submarine Construction Yard under the EPBC Act.

A public consultation period for both the EIS and Strategic Assessment commenced from 3 February to 17 March 2025.

In February 2025, ANI and the ASA jointly held four community drop-in sessions across three locations; Adelaide CBD, Port Adelaide and Osborne, to provide the community with the opportunity to learn about the NPSCY program and engage with the project team. Around 150 people from the community participated in these sessions.

As part of the public consultation process, ANI will submit a Response Document to PlanSA, outlining and addressing feedback received during the public consultation period.

PlanSA will then refer to ANI's Response Document to make a recommendation on the NPSCY site to the Minister for Planning for approval.

NPSCY delivery strategy

Concurrent with progressing the design, fast-tracked PDF facilities and enabling works outlined above, ANI has been developing its delivery strategy for the remainder of the NPSCY.

ANI's Integrated Delivery Office (IDO) has progressed establishment activities and the planning and design of the NPSCY. The IDO has grown significantly since its establishment in March 2024.

A intense period of recruitment activity has enhanced ANI's internal capability and in addition, multiple external service providers have been engaged for design, planning, project controls and transaction advisory activities.

The IDO will need to be expanded with the right capability for the next phase of the program to ready it for engaging the construction market.

Additional functions will need to be delivered as the NPSCY moves into the next phase of the program.

A nuclear mindset is required across all functions.

In order to meet the above challenges, ANI has determined that engaging a Capability Partner (CP) is the preferred model to supplement the IDO. The intent is to leverage a CP's existing people, expertise, systems and processes.



STAC site preparation works



6

Key activities – STAC

STAC site aerial view

Delivering and sustaining a sovereign nuclear-powered submarine capability requires a highly skilled and experienced workforce. To meet this challenge, the Skills and Training Academy Campus (STAC) will be developed as a world-class centre dedicated to training and upskilling Australians in the design, construction and sustainment of nuclear-powered submarines.

The STAC is central to the South Australian Defence Industry Workforce and Skills Report and Action Plan, a collaborative effort between the Australian and South Australian Governments. This strategic partnership aims to build the workforce capacity required to meet Australia's commitments under the AUKUS agreement and to support the broader submarine and naval shipbuilding industry.

The STAC will set a new benchmark for Australian technical training facilities. It is tailored to deliver the necessary training and qualifications for entry into the NPS industrial workforce. At its peak, the NPS industrial workforce is expected to provide employment for over 4,000 people².

The STAC will deliver integrated theoretical and practical training through advanced teaching facilities, including hands-on workshops, state-of-the-art classrooms and large submarine mock-up areas that simulate the submarine construction yard.

The facility will feature a mix of offices, classrooms, lecture and tutorial spaces, and workshop areas for practical skills development and certification, along with typical campus amenities such as reception, canteen, first aid, end-of-trip facilities, cycle storage, and car parking. Logistics and storage areas will support material management, while comprehensive ICT infrastructure will enable modern learning and operations.

Once fully operational, the STAC is expected to accommodate up to 1,000 people per day, including apprentices, students, educators and staff. A key project milestone is to welcome Semester 1 students in 2028.

The STAC is being developed on land acquired by ANI from the State Government in June 2024 as part of the Commonwealth/State strategic land swap and is located on the western side of Pelican Point Road, adjacent to the NPSCY development.

ANI has continued to work closely with the ASA to progress design of this state-of-the-art facility.

The STAC is being delivered in two key stages:

1. Early works: Preloading earthworks
2. Main works: Construction of STAC

Development approval for Stage 1 was issued on 20 November 2024.



Sod turn at the STAC site in December 2024



Artist's impression of STAC

This includes site establishment, removal of vegetation, residual ground improvements and construction of core facility structures. The main works will involve in-ground bearing piles, structural concrete slabs, services installation, superstructure development (including stair and lift cores), facade and cladding works, full internal fit-out, and landscaping and signage.

The STAC will consist of:

- a core facility, which houses the primary teaching and learning functions of the academy and trades hall, and
- a dedicated carpark and end-of-trip facility that supports the needs of staff, students and visitors to the site.

In December 2024, ANI awarded the civil earthworks contract to McMahon Services Pty Ltd to enable the early works to get underway. In January 2025, ANI awarded an ECI partner contract to Hansen Yuncken.

On 5 March 2025, the Hon Richard Marles MP (Deputy Prime Minister and Minister for Defence), the Hon Peter Malinauskas MP (Premier of South Australia) and Executive representatives from ANI, the ASA, BAES and ASC attended a sod turning ceremony to celebrate the commencement of construction.

In March 2025, ANI's design partners, KBR and Architectus completed design to 30%, with the final design expected to be achieved in 2026. This will be followed by construction activities and subsequent commissioning and handover.

² Source: ASA



7

Performance

CUF shiplift load test

Performance and priorities

In conjunction with Shareholders, ANI will identify key priorities for each of its key business areas and its projects.

Noting the size, scale and complexity of the NPSCY program, this area is clearly the main focus, while also ensuring other areas of the business continue to perform well and stakeholder requirements are met.

ANI continues to measure and report to Shareholders on its performance against the achievement of key milestones and priorities. Areas reported against include safety, operations and facilities management, commercial and financial measures, and key project deliverables. In addition, this year ANI will commence working towards and reporting on its nuclear readiness.

Financial objectives

Shareholder returns

ANI will earn commercial returns sufficient to justify the long-term retention of assets in the business. It is expected that ANI will deliver positive returns to Shareholders over the long-term.

Funding

The Government has provided equity injections to ANI to facilitate the development and construction of infrastructure at the ONS precinct. This includes funding for the NPSCY which is being provided on a staged basis as the infrastructure requirements for the yard are developed.

Charging arrangements

In determining appropriate commercial charging arrangements with its tenants, ANI will balance its need to generate sufficient returns to meet Shareholder expectations with the need to ensure value for money for the Commonwealth in terms of the arrangements with shipyard users participating in the naval shipbuilding program.

ANI's access charge revenues are expected to be sufficient to fund:

- ANI's operating costs
- the sustaining capital expenditure associated with maintaining the shipyards to an appropriate standard
- an appropriate amount of capital expenditure associated with facility upgrades and improvements, and
- ANI's return on capital employed.



Link Road under construction



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Capability

Aerial view of the wharf extension at ONS-S

Developing ANI’s nuclear baseline

ANI’s progress towards developing and ultimately demonstrating a ‘nuclear mindset’ across its entire operations is a central focus for the organisation in FY25/26. This includes establishment of a nuclear baseline.

To date, ANI’s Board, Executive and key personnel have been investing in training, development and familiarisation programs to build ANI’s collective knowledge and support its role in the NPS enterprise as the developer and owner of nuclear licensed facilities.

ANI’s Board and Executive are focussed on ensuring that ANI builds the necessary capability to deliver on its regulatory and safety obligations and to act as the controlling mind.

This includes ensuring that the organisation has well established nuclear management plans and arrangements that are underpinned by appropriately tailored quality, compliance, security and safety management systems.

The ANI Board also recognises its role in fostering, through the Executive, a strong nuclear safety culture.

People and Culture

Organisation design

ANI has expanded its Executive leadership team and underpinning functions to support the development of key organisational capabilities together with the development and enabling functions core to the delivery of the NPSCY.

ANI has established a new Executive role, Program Director AUKUS to lead the development and implementation of a program of work to ensure that ANI has the necessary capability, quality management systems and processes to contribute to the success of the AUKUS program.

This role will focus on ANI’s development of its nuclear safety, security, governance, regulatory compliance, and technical authority systems, and working closely with ANI’s NPSCY project delivery,

operational and facilities functions to support safe and effective delivery and integration. ANI’s Chief Operating Officer has transitioned to this role, and his former responsibilities for Operations, Facilities, ICT and Security will be fulfilled by a new Executive General Manager (EGM) Operations, with that person commencing with ANI in mid-June 2025.

An additional Executive role, EGM Corporate Affairs and People was also established in FY24/25 to lead the ongoing maturity of ANI’s human resources systems as the organisation grows, and provide strategic leadership to talent attraction and retention, change management and culture to support ANI’s capability and workforce uplift. In addition, this role is establishing a stronger social licence and stakeholder engagement function for ANI to advance relationships with local stakeholders around the ONS precinct, key industry stakeholders and to modernise ANI’s employee value proposition.

In FY25/26, ANI will continue to expand the Executive leadership team and support functions with the appointment of an EGM Commercial. This role will lead the definition of, and drive the commercial strategy to underpin, the delivery of the NPSCY and the longer-term value and performance of ANI’s base business.

In addition, ANI will be seeking to identify and attract nuclear suitably qualified and experienced personnel into in a range of functions to support the organisational wide uplift and development of systems and processes to establish ANI’s nuclear baseline.

Development

In FY25/26, ANI will continue to invest in developing its people, to support them to be effective in their current role and support their readiness for future roles within the organisation.

This includes building leadership capability in a team context, with a focus on leading and adapting to change given the context in which our leaders are operating.

This framework, supported by external facilitation and coaching will support ANI’s Executive and its broader leadership group to strengthen collaboration across the organisation as ANI grows the capability of its people, systems and processes. This is particularly important during a time of significant growth and change.

Flexibility

Like many organisations, flexibility is an important factor for ANI’s current and future workforce.

ANI continues to offer flexible working arrangements for employees in the form of a nine-day fortnight (compressed working week), flexible start and finish times and opportunities for working across both the IDO and Osborne offices.

ANI employees are encouraged to work closely with their leader to ensure the way they work meets the needs of the business, their broader team and supports their individual needs.

Ongoing feedback from new starters and existing employees strongly supports the value of the nine-day fortnight in helping people achieve a balance between work and personal life and will continue to be a part of ANI’s proposition to the employee market.

Procurement approach

As a GBE, ANI is not obligated to comply with the Commonwealth Procurement Rules, however achieving value for money, critical in ensuring public resources are used in the most efficient and effective, ethical and economic manner, is core to ANI’s approach to procurement.

Policy Statement

ANI is committed to meeting its accountability, transparency and oversight obligations in relation to its procurement, consistent with the PGPA Act and the PGPA Rule. ANI applies its own procurement principles when undertaking procurement activities to ensure it meets these obligations and implements best practice in its procurement approach.

Procurement principles

Value for money: Delivering value for money is critical to the way ANI conducts its business and manages key business relationships, including when undertaking procurement activities. ANI pursues value for money on a whole of life basis.

Probity and accountability: ANI is committed to transparency, efficiency, ethical processes and decision making, and to encouraging competition (where practicable) in its procurement activity.

Proper process and risk management: ANI will select an appropriate method of procurement, having regard to the nature of the goods and services being procured, the expenditure and risk profile, and the objectives of the procurement.



CUF wharf

Local procurement: ANI aims to achieve high levels of Australian content in procurement and in major infrastructure projects will encourage contractors to pursue opportunities for local industry participation, including indigenous owned businesses and indigenous employment.

Procurement and contract management procedure

ANI has adopted a ‘best practice’ approach to carrying out its procurement activities to ensure that the procurement principles are fully considered during the planning, performing of procurement activities, and contract management.

The Procurement and Contract Management Procedure has been developed so that it is flexible enough to cater for a wide range of projects, from low-value and low-risk requirements to complex and high-cost activities, and agile enough to respond to the urgency required and strategic risk involved.

NPSCY procurement

For the major procurement activities associated with the NPSCY, ANI has engaged probity and transaction advisors to support procurement activities and ensure fit-for-purpose procurement strategies and appropriate governance.

ICT security

Security is at the core of ANI’s operations, and ANI takes its lead from the Australian Signals Directorate’s (ASD) Information Security Manual to prioritise and direct investment in safeguarding ANI’s systems.

ANI is planning for an Information Security Registered Assessors Program (IRAP) reassessment in FY25/26 and to maintain ANI’s current assessment, last reviewed in FY23/24, which found the ANI network was determined to continue to remain suitable to hold secure information at the appropriate security classification.



CUF shiplift platform lift



9

Risk Management

Support tower for Building 22 in transit

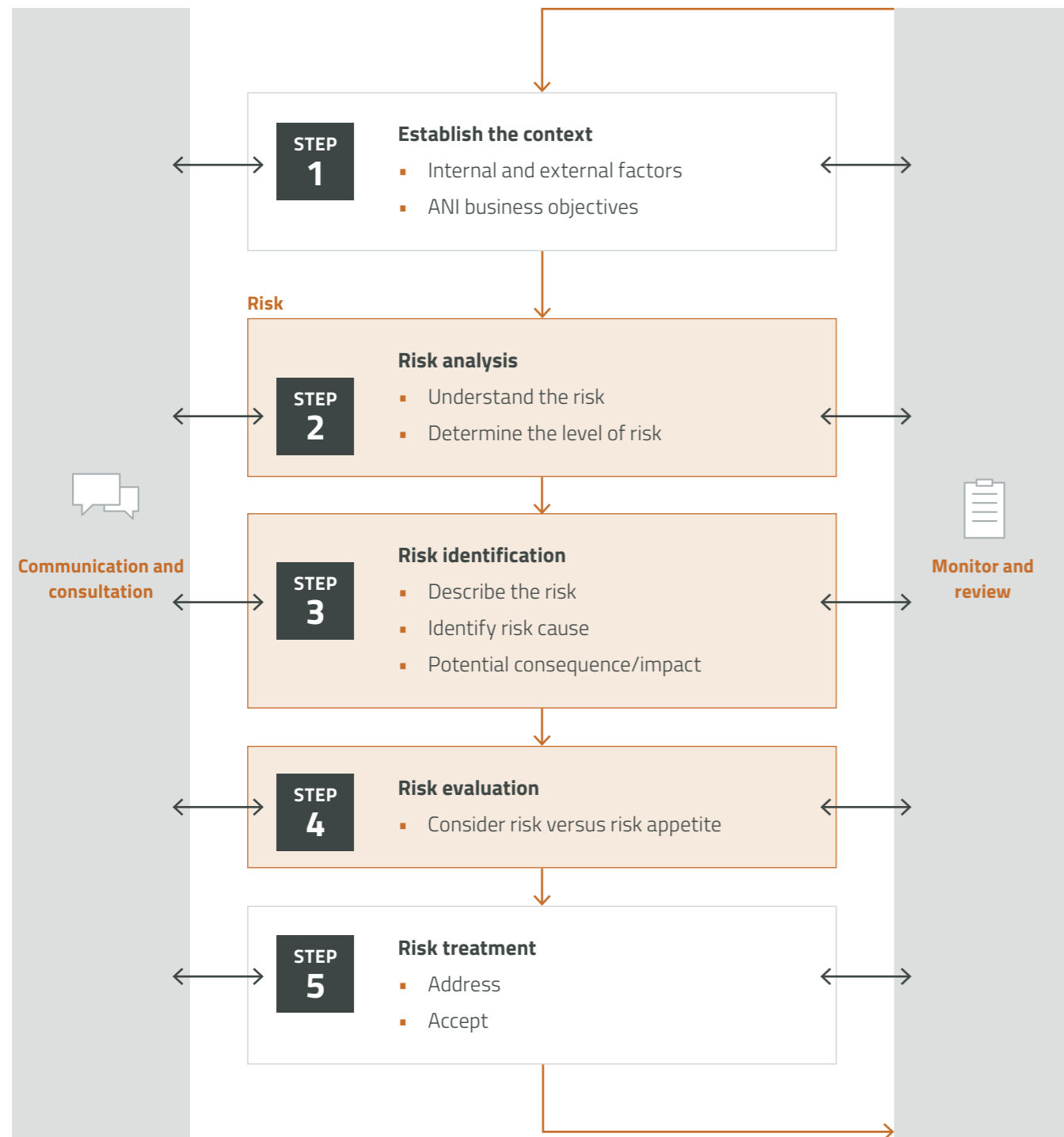
The effective management of risks is central to ANI's approach to delivering on its core objectives.

ANI's Risk Management Policy outlines ANI's overarching approach to risk. The policy emphasises the importance of a strong risk culture within the organisation.

The Audit and Risk Committee of the Board maintains oversight of ANI's approach to risk management.

With a focus on continuous improvement, the Enterprise Risk Management Framework will be reviewed and updated during FY25/26 to ensure that it continues to meet enterprise, operational and project risk requirements in an evolving organisation.

The following diagram is reproduced from the risk management standards and provides a general overview of the risk management methodology for ANI.



Link Road under construction



10

Corporate social responsibility

NUSHIP Arafura docking operation

Engagement

ANI recognises its responsibility as one of many stakeholders operating on the Lefevre Peninsula, and is committed to supporting a thriving, sustainable local community for future generations. ANI's approach to stakeholder engagement is grounded in early, open, and transparent communication, particularly with local government, community members, and industry. This helps to ensure diverse perspectives are incorporated into planning and decision making for future developments.

Over the past year, ANI has continued to foster meaningful connections with the community through a range of activities. These included hosting community drop-in sessions, participating in local interest group meetings, and delivering a comprehensive engagement program to support public understanding of the EIS for the NPSCY.

This engagement strategy is aimed to inform, invite feedback and promote inclusive participation through varied communication channels. Key elements included direct mail to residents near the ONS, online information resources, and drop-in information sessions held in Adelaide, Port Adelaide, and Osborne. These sessions offered community members the opportunity to ask questions and discuss the EIS with project team representatives.

Looking ahead, ANI remains committed to exploring innovative ways to engage with stakeholders and to supporting community-led initiatives aligned with ANI's commitment to earning and maintaining social licence.



EIS community consultation

Reconciliation Action Plan (RAP)

ANI proudly acknowledges that it operates on the traditional lands of the Kurna people. ANI remains committed to strengthening relationships with local Aboriginal and Torres Strait Islander communities, recognising this as a foundational step toward reconciliation.

The development and implementation of ANI's RAP is part of a broader commitment to contributing meaningfully to the national Closing the Gap objectives. Since launching ANI's first RAP – the 'Reflect' RAP – in June 2023, ANI has been laying the foundations for a more inclusive and culturally responsive organisation.

In FY24/25, ANI has continued to embed reconciliation principles into everyday business operations. The focus has been on reflection, engagement, and the integration of First Nations perspectives into core business functions.

Key initiatives have included:

- conducting a comprehensive review of internal policies, including HR and procurement, to foster cultural safety and inclusivity
- actively participating in the Osborne Precinct RAP Collaboration Group, strengthening partnerships and shared learning
- hosting a consultative session with local First Nations businesses to gather feedback on ANI's RAP and to shape future actions
- distributing Acknowledgement of Country lanyard cards to reinforce cultural awareness and everyday recognition, and
- formally embedding Acknowledgement of Country into the opening of internal meetings and IDO inductions.

Looking ahead, ANI will continue to refine and evolve its RAP. In FY25/26, ANI is planning to:

- review and re-energise ANI's internal working group and charter to build on existing initiatives
- examine opportunities to build on employee's understanding of First Nations culture, through cultural awareness training and immersive experiences, and
- continue to pursue engaging First Nations owned and operated businesses.

ANI's aim is to ensure it supports the continued development of fair and inclusive practices across

all facets of the business, with a particular focus on improving opportunities and experiences for First Nations peoples in employment and enterprise.

Sustainability

ANI continues to implement environmentally sustainable practices in the operation and maintenance of the existing ONS and aims to reduce adverse whole-of-life social, environmental and economic impacts of its activities.

With the addition of the NPSCY program the footprint of activities at the ONS is expanding significantly. In parallel with this expansion, ANI notes the increasing expectations on the infrastructure and project delivery sector to mature sustainability practices, measurement and monitoring. ANI has commenced a process to evolve the organisation's approach to sustainability at a strategic and an operational level, including the consideration of mandatory reporting requirements (as required by Accounting Standard, AASB S2 *Climate-related disclosures*) which becomes effective for ANI from 30 June 2028.



Load testing newly upgraded CUF shiplift

In the Statement of Corporate Intent period, ANI will be undertaking a process to assess and prioritise reasonable and practicable sustainability opportunities for future infrastructure at the ONS, primarily the NPSCY.

This will enable ANI to:

- define sustainability objectives for the current ANI Environment Policy (to become a combined Environment and Sustainability Policy)
- define and document an ANI Sustainability Strategy, and
- document the strategy ANI Sustainability Management Plan to complement the ANI Environment Management Plan that meets ISO 14001 requirements.

Environmental policy and approach

ANI is committed to minimising the impact of its operation on the environment and as outlined in ANI’s Environmental Policy, pursues the following objectives:

- to promote a strong and consistent environmental protective culture across the organisation, including with contractors, tenants and visitors
- through continual improvement, to develop system and processes to protect the environment and minimise, or where possible, eliminate ANI’s impact on the environment
- to comply with, or exceed, the requirements of ANI’s EPA licence and other relevant legislative requirements, and
- to ensure appropriate resources are available, training is undertaken and communication is provided to protect the environment as far as is reasonably practicable.

The implementation of ANI’s policy and the above objectives occurs through ANI’s Environmental Management Plan and ISO 14001 certification.

ANI continues to implement environmentally sustainable practices in the design, construction, operation and maintenance of the ONS and aims to reduce adverse whole-of-life social, environmental and economic impacts of its activities. Implementation of renewable energy, recycling and clean technology and implementing sustainable approaches and technology is considered during design, construction and ongoing operations.

By implementing ANI’s Environment Management Plan, it is able to evaluate, manage and communicate environmental issues. The plan supports ANI’s work to minimise potential impact from construction and operational activities on the environment, including biodiversity, soil, water, air and waste.

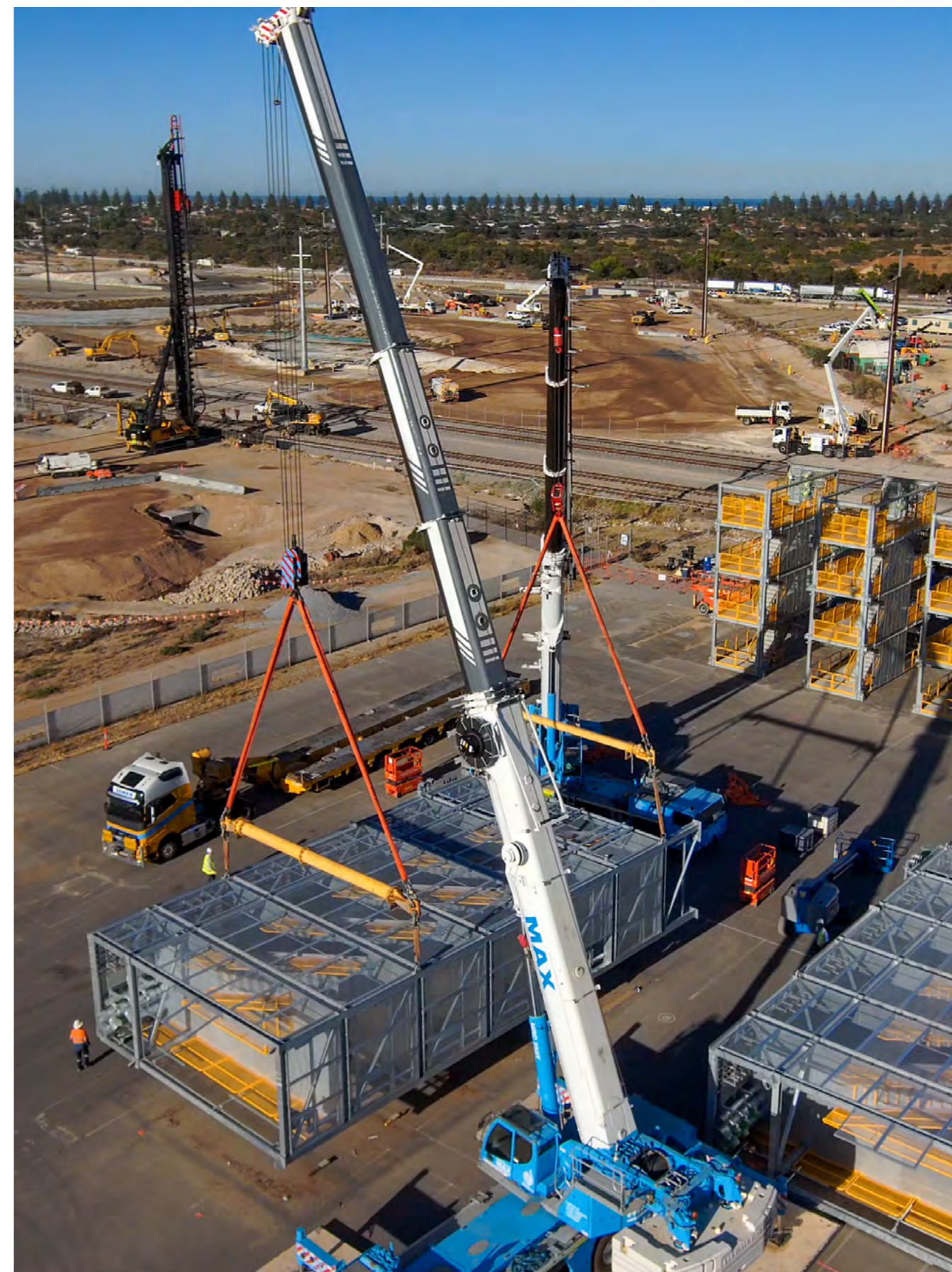
Regulation

ANI’s current and future activities in South Australia are subject to both Commonwealth and State environmental and development legislation.

As outlined in Section 5, the NPSCY is subject to a Strategic Assessment in accordance with the EPBC Act, and an impact assessed development application with the *Planning, Development and Infrastructure Act 2016* (SA). The Strategic Assessment process is being led by the ASA, whilst the impact assessed development application is being led by ANI.

ANI’s operations are subject to an EPA licence for maritime construction and for marina and boating facilities. Tenants of the ONS are subject to separate licences and permits for their own specific activities.

Compliance with applicable environmental regulations and site-specific environmental licence requirements continues, and there have been no environmental incidents in FY24/25 requiring notification by ANI to any regulator.



Support tower for Building 22 under construction



Aerial view of the ONS and surrounds



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