



THE HON PETER MALINAUSKAS MP

PREMIER OF SOUTH AUSTRALIA

The Hon Clare O'Neil MP
Minister for Home Affairs
Minister for Cyber Security
Parliament House
CANBERRA ACT 2600

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Dear Minister

Clare

Thank you for your letter to myself and the Hon Susan Close MP, Deputy Premier of South Australia and Minister for Defence and Space Industries, about the proposed amendments to the Naval Shipbuilding Rules.

In your letter, you advise that responsible entities at Osborne Naval Shipyard have raised two matters:

- the use of a map within Schedule 1, which requires legislative change to amend, and
- the need for more clarity from Defence on its role as the regulator for Osborne Naval Shipyard.

The proposed amendments to remove the map to define the Osborne Naval Shipyard are timely, given the impending development of the new Submarine Construction Yard at Osborne, which will likely fall within the scope of the new definition. As such, the amendment avoids the need for a future legislative process to include the Submarine Construction Yard.

South Australia supports this change, subject to it also being supported by the responsible entities.

It is South Australia's view that more can be done, beyond the proposed amendments, to provide the clarity sought by responsible entities about Defence's role as the Regulator. It is accepted that responding to this matter largely sits outside the Naval Shipbuilding Rules.

South Australia proposes that Defence be asked to ensure there is appropriate guiding material available and undertake direct engagement with responsible entities to ensure clarity is provided about their role as Regulator.

The Osborne Naval Shipyard, and the new Submarine Construction Yard, once developed, are critical assets for Australia's defence capability. South Australia supports appropriate security requirements to protect these assets. However, to avoid undue regulation or burden on responsible entities, this must occur in a clear and coordinated manner.

The Nuclear-Powered Submarine program is the most complex industrial undertaking in our nation's history. It is important that additional barriers are not created that may impede this work.

Critical infrastructure and other security considerations will have an impact on development and operation of the Submarine Construction Yard, uplift of the industrial base and development and sustainment of an appropriately skilled and qualified workforce. It is therefore essential we get these settings, and their practical operation, right.

The current settings seem largely appropriate. However, requests from responsible entities for clarity about their obligations or the role of the Regulator should be responded to in order to avoid confusion and limit the burden.

In addition to Defence's role as Regulator, South Australia notes that the Submarine Construction Yard will also be subject to separate Regulator activity under the proposed Australian Naval Nuclear Power Safety legislation. This further reinforces the need for Regulators to provide clear guidance and, where possible, coordinate activities.

South Australia is committed to working in genuine partnership with the Australian Government to deliver on our role in these critical national defence capabilities. As such, we would welcome the opportunity to support engagement with responsible entities at Osborne Naval Shipyard. The appropriate contact point for this matter is Ms Ilona Horan, Director Corporate Services at Defence SA, who can be emailed at ilona.horan@defencesa.com.

Once again, thank you for writing to me about this important matter.

Yours sincerely



Peter Malinauskas
PREMIER

14 / 1 / 2024