

## United Kingdom Business Mission

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# MEETING BRIEF (site visit): BABCOCK INTERNATIONAL GROUP

## 1. Attendees

### Babcock representatives

- 7(1)(c) Business affairs

### South Australian Government

- The Hon Stephen Mullighan MP, Minister for Defence and Space Industries
- Mr Matt Opie, Chief Executive, Defence SA
- Mr Anthony Heath, Director Defence UK, Defence SA
- Mrs Tom Probst, Senior Adviser, Treasurer and Minister for Defence and Space Industries

### Australian Submarine Agency London (ASA-L)

- 7(1)(c) Business affairs

## 2. Thursday 21 November 2024

## 3. Objective

- Discuss Babcock's approach to nuclear powered submarine sustainment, defueling and disposal.
- 7(1)(c) Business affairs
- Seek information on Babcock's experience in radioactive waste management/nuclear decommissioning, noting their recent milestone reached with the UK's Submarine Dismantling Project.
  - Babcock own and operate the UK's only licenced facility for refitting, refuelling and decommissioning nuclear submarines.
  - As part of the UK's demonstrator project, Babcock was recently awarded the recycling contract to KDC Veolia Decommissioning Services UK Ltd (KDCV). This approach is a world first, applying a new and innovative methodology, which will enable around 90% of the structure and components to be reused or recycled. This includes the pressure hull around the reactor compartment, once full radiological reassurance monitoring has completed.
- Discuss Babcock's approach to nuclear powered submarine social license.

## 4. Background



## OFFICIAL: Sensitive

Babcock International Group is a British aerospace, defence and nuclear engineering services company headquartered in London. The company also operates in Australasia, Canada, France and South Africa, with exports to additional markets.

Babcock Australasia is headquartered in South Australia (since 1990), with its head office located in the Adelaide CBD. Babcock also operate a facility at Osborne and in October 2024 opened a new \$31m facility in Woodville North. Babcock's plans for a Regional Hub in the Asia-Pacific will be driven and managed from its headquarters in Adelaide.

On 6 November 2024, Babcock working with the Defence Nuclear Enterprise (DNE), reached their significant milestone to fully dismantle a nuclear-powered submarine, Swiftsure, at its facility in Rosyth. This is a world first. Swiftsure will be the first decommissioned UK nuclear-powered submarine to be fully dismantled and disposed of. It will lead the way, providing a proven approach for recycling of the current UK decommissioned fleet of submarines.

### AUKUS

Babcock has experience in nuclear infrastructure, workforce upskilling, and regulatory and safety stewardship and are well positioned to help deliver a nuclear-powered submarine capability for the Royal Australian Navy under the AUKUS agreement.

Babcock has a proven track record of managing complex assets in highly regulated environments. Owning and operating the UK's only licensed facility for refitting, refuelling and defueling nuclear-powered submarines, Babcock sustains the entirety of the Royal Navy's nuclear-powered submarine fleet, including the delivery of through-life support and life extension of the Vanguard, Trafalgar, and Astute Submarine Classes

On 18 June 2024, Huntington Ingalls Industries (HII) and Babcock formed a new joint venture and entity named H&B Defence. H&B Defence combines world-leading nuclear submarine and shipbuilding experience from the UK and the US to support the nuclear-powered submarine program under AUKUS. H&B Defence, headquartered in Canberra, intends to work with government and key stakeholders from industry and academic sectors to develop a comprehensive program to promote and grow a skilled sovereign nuclear workforce in Australia.

### 7(1)(c) Business affairs

#### Previous South Australian Government engagement

16 July 2024 - Her Excellency and Mr Matt Opie, CE, Defence SA met with <sup>7(1)(c) Business affairs</sup> at the Australian High Commission, London to discuss Babcock's operations and plans in Australia.

18 July 2024 - Mr Opie visited Babcock's Devonport Royal Dockyard in Plymouth to understand Babcock's approach to nuclear powered submarine sustainment, defueling and disposal.



28 October 2024 – The Premier and Minister attended Babcock Australasia opening of their a new \$31 million integrated, manufacturing, warehouse and office facility in Woodville North. The Torrens Road site will include a 4000m2 purpose-built manufacturing and maintenance building that will underpin Babcock’s delivery of support to land and naval defence programs, including in-service sustainment for the Collins-class submarine fleet. The project will also include development of a separate 2000m2 administrative support building while the remainder of the one-hectare site is being kept in readiness for potential expansion to cater for future AUKUS support.

## 5. Attachments

6(1) Personal affairs

7(1)(c) Business affairs



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**MEETING BRIEF (site visit): ROLLS-ROYCE (DERBY)****1. Attendees****Rolls-Royce representatives**

- 7(1)(c) Business affairs

**South Australian Government**

- The Hon Stephen Mullighan MP, Minister for Defence and Space Industries
- Mr Matt Opie, Chief Executive, Defence SA
- Mr Anthony Heath, Defence Director UK, Defence SA
- Mr Tom Probst, Senior Adviser, Treasurer and Minister for Defence and Space Industries

**Australian Submarine Agency London (ASA-L)**

- 7(1)(c) Business affairs

**2. Friday 22 November 2024****3. Objective**

- 7(1)(c) Business affairs

**4. Background****Rolls-Royce Submarines**

Rolls-Royce provides services to over 50% of the world's nuclear reactors with a workforce of circa 3000 people. From their base at Raynesway in Derby, they have powered all the Royal Navy's (RN) nuclear submarines for over 60 years. 7(1)(c) Business affairs

The RN currently operates two nuclear submarine types: the Vanguard class ballistic deterrent submarine (SSBN) and the Trafalgar/Astute class attack submarines (SSN). The new SSBN Dreadnought class is in production now (replacing the Vanguards) and due to be

operational in the early 2030s. The entire fleet of SSBNs is now fitted with Rolls-Royce's most advanced reactor cores, enabling them to operate for over 20 years without refuelling.

On 13 March 2023, Rolls-Royce Submarines announced it will provide the nuclear reactors for the SSN-AUKUS class.

#### **Rolls-Royce Submarines Nuclear Skills Academy**

On 26 September 2022, Rolls-Royce Submarines opened its Nuclear Skills Academy in Derby. The Academy aims to sustain nuclear capability within the UK's submarines programme by creating a dedicated pipeline of talent. The Academy is supported by industry and education experts, including the Nuclear Advanced Manufacturing Research Centre, the National College for Nuclear, the University of Derby and Derby City Council. This ensures new apprentices have access to the best courses and mentors throughout their apprenticeship. It has the funding to provide 200 apprentices each year with nuclear education across four different courses for at least the next 10 years.

**Previous South Australian Government engagement:**

7(1)(c) Business affairs

## **5. Attachments**

6(1) Personal affairs



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# MEETING BRIEF: BAE SYSTEMS ( BARROW-IN-FURNESS)

## 1. Attendees

### BAE Systems representatives

- TBC
- TBC

### South Australian Government

- The Hon Stephen Mullighan MP, Minister for Defence and Space Industries
- Mr Matt Opie, Chief Executive, Defence SA
- Mr Anthony Heath, Defence Director UK
- Mr Tom Probst, Senior Adviser, Treasurer and Minister for Defence and Space Industries

### Australian Submarine Agency London (ASA-L)

- 7(1)(c) Business affairs

## 2. Monday 25 November 2024

## 3. Objective

- To reaffirm the South Australian Government's partnership with the UK, and support of BAE Systems' presence in the state.
  - BAE Systems Australia is responsible for the design and build of the Hunter class frigates (based on the UK Type 26 Global Combat Ship) and is the Sovereign Build Partner for SSN-AUKUS along with ASC Pty Ltd.
- Discuss BAE Systems' key role in Australia's acquisition of nuclear-powered submarines under the AUKUS agreement, and the delivery of the first SSN -AUKUS submarine to the Royal Navy (RN).
- 7(1)(c) Business affairs

- To understand BAE Systems approach to workforce development, skills and training and social license.

## 4. Background

### SSN-AUKUS



Australia and the UK will both build new submarines based on the UK's design incorporating cutting-edge US submarine technology, known as SSN-AUKUS.

The UK will commence construction of its first SSN-AUKUS in Barrow-in-Furness as early as the late 2020s. The UK intends to deliver to the RN in the late 2030s.

Australia will begin building its first SSN AUKUS in at Osborne Naval Shipyard in Adelaide by the end of this decade and plans to deliver to the Royal Australian Navy (RAN) in the early 2040s.

SSN-AUKUS will be operated by both the UK and Australian navies, and will be equipped for intelligence, surveillance, under-sea warfare and strike missions.

### **BAE Systems submarine projects**

BAE Systems' Barrow-in-Furness shipyard is delivering the Astute and Dreadnought submarine projects for the UK's RN. To date, BAE Systems has delivered five Astute class submarines to the RN, with the final two boats at advanced stages of construction.

The Astute class are the largest and most advanced attack submarines ever built for the RN. Astute leads the way with many technological 'firsts' - the first RN Submarine not to be fitted with optical periscopes (instead high specification video technology is used to scan the horizon) and the class are the quietest ever made. Equipped with world-leading sensors, the Astute-class carry both Tomahawk Land Attack Cruise Missiles (TLAM) and Spearfish heavyweight torpedoes. Measuring 97 metres in length the boats can circumnavigate the globe submerged, producing its own oxygen and drinking water.

The first three of four Dreadnought submarines are also under construction at the site, with the company's engineers undertaking early design work on the replacement for the existing Barrow-built Vanguard fleet under a £85 million contract announced in September 2021.

More than £1 billion has been invested to develop and expand infrastructure at Barrow-in-Furness in recent years, including £25 million in a state-of-the-art training academy.

### **BAE Systems Australia and South Australian Government MoU**

The MoU establishes a commitment to co-design and support the implementation of workforce and skills projects that aim to increase diversity of the STEM pipeline and address critical skills needed for current and future defence projects.

To do this, BAE Systems Australia will leverage the international industry expertise of the UK arm of the organisation. The BAE Systems Submarine Skills Academy in the UK is a model that has proven highly successful in the acceleration and creation of significant numbers of job ready employees in support of sovereign national programs.

Initiatives that have been undertaken to date include:

- BAE Systems Australia is acting as a key industry partner for the newly established Findon Technical College.
- BAE Systems Australia is a lead industry partner in the design and delivery of the Software Engineering Degree Apprenticeship pilot for the defence industry sector.
- Activities are also underway to leverage the extensive international industry and workforce development expertise of BAE Systems in the UK for South Australia.

Separate from the MoU, BAE Systems Australia has been announced as the anchor tenant in Lot Fourteen's Innovation Centre, the first new build at the innovation district.

7(1)(c) Business affairs



7(1)(c) Business affairs

**5. Attachments**

6(1) Personal affairs





6(1) Personal affairs



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**MEETING BRIEF: CHAIR NUCLEAR INDUSTRY ASSOCIATION****1. Attendees****Representative**

- 7(1)(c) Business affairs

**South Australian Government**

- The Hon Stephen Mullighan MP, Minister for Defence and Space Industries
- Other representatives TBC

**2. Wednesday 20 November 2024****3. Objective**

- 7(1)(c) Business affairs

**4. Background**

The NIA is the trade association for the UK's civil nuclear industry. They support over 280 member companies across the supply chain to ensure more nuclear power is deployed across the country for a safer, cleaner future; one which is better for industry and the environment.

Their priority is to ensure NIA members are central to delivering the UK's nuclear opportunity, by offering the highest level of support. They engage with the public, media and political spheres to promote better understanding of nuclear energy and its role within a low carbon energy mix. They also work collaboratively across the nuclear industry to promote Science, Technology, Engineering and Maths to young people.

**5. Attachments**

6(1) Personal affairs

6(1) Personal affairs

