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**AUSTRALIAN NAVAL CLASSIFICATION AUTHORITY
MANUAL, VOLUME 2**

**DIVISION 1 – AUSTRALIAN NAVAL CLASSIFICATION RULES
PART 3 – GUIDANCE TO ANC RULES**



This document is issued for use by Defence and Defence Industry personnel and is effective forthwith.

A handwritten signature in black ink, appearing to read 'CN Dagg, CSC'.

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2 May 2024

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Division 1 – Australian Naval Classification Rules, Part 3, May 2024 (D1P3)

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Australian Naval Classification Authority

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AUSTRALIAN NAVAL CLASSIFICATION RULES

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⁵ <https://www.defence.gov.au/business-industry/industry-governance/australian-naval-classification-authority/australian-naval-classification-rules>

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Division 1 - Part 3

Australian Naval Classification Rules

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Chapter 1: Introduction

1. Scope and Application

- 1.1 The Australian Naval Classification (ANC) Rules (the Rules) are derived from international conventions that allow Defence to demonstrate that a vessel is materially seaworthy, subject to the scope of the rules themselves and the operational practices for the vessel. As such, it provides a tool for the safe management of Naval Vessels. It recognises their operational usage which is different from those associated with vessels operated for commercial and civil purposes.
- 1.2 It includes goals associated with both routine and foreseeable damage conditions associated with operations during peacetime and the maritime security roles of a warship, and includes damages inflicted from Extreme Threat Conditions or when involved in Combat Operations.
- 1.3 The Rules do not cover all aspects of a Naval Vessel, and do not include seaworthiness issues associated with use of a nuclear-powered propulsion plant, nor does it cover high risk configurations such the bulk carriage of low flash point fuel. They also do not address aspects associated with the competences necessary to operate a vessel safely, including operational effectiveness, the operation of aircraft or safe crewing levels.
- 1.4 The ANC Rules assume that the majority of persons normally embarked on a Naval Vessel are able-bodied, with a fair knowledge of the layout of the vessel and have received training in safety procedures and the handling of the vessel's safety equipment.
- 1.5 The definition for a Naval Vessel, expands on the definition of a 'warship or other vessel' as defined in the *Navigation Act 2012*. The definition of a Naval Vessel under the ANC Framework has been developed to account for uncrewed vessels and vessels that may be appropriated by other means for defence purposes, irrespective of their ownership.

2. Authority

- 2.1 The Australian Naval Classification Authority (ANCA) acts as an Administration or Naval Administration in the context of Naval Codes and in the application of other International Codes and Conventions and Classification Society Rules.

3. Arrangements and Principles

- 3.1 Each chapter within a division of ANC Rules is structured in three parts to align with the NATO Naval Vessel and Submarine Codes, and the INSA Boat Code, the choice of a rule structure that aligns with international conventions promotes interoperability with other navies, and allows for efficiency and ease of update of ANC Rules in the future.

4. Defence Seaworthiness

- 4.1 Naval Class should not be confused with the civil classification of maritime vessels. While a Classification Society may issue a class certificate, this is limited in scope and as such is insufficient to determine that a Naval Vessel is fully compliant to its ANC Basis. Classification Societies play an important role in providing permissible evidence as Competent Organisations, however the issue of a Classification Certificate from a Classification Society, does not constitute a Naval Vessel to be in Naval Class under the ANC Framework.

5. Naval Vessel Operator

- 5.1 The ANC Framework introduces a new organisational term, the Naval Vessel Operator (NVO). The introduction of the NVO aligns regulatory oversight with the organisation/s directly accountable for seaworthiness of Naval Vessels.
- 5.2 The term NVO is used in lieu of terms used under the Defence Seaworthiness Management System such as the Capability Manager. The term NVO has been used as the definition of the term Capability Manager does not specifically address statutory obligations on the command chain with respect to ensuring the effective management of safety risks.
- 5.3 The *Work Health and Safety (WHS) Act* (the Act) and WHS Regulations are specific regarding who is accountable under the Act for ensuring activities are conducted safely. In the Defence context, and in accordance with Section 22-21 of the Act, command (i.e. the operator) is responsible for ensuring safety; therefore, command must make all judgements around safety hazards and risks. Section 14 of the Act is also explicit that safety obligations cannot be transferred (i.e. delegated) to another person.
- 5.4 Noting that naval operations are a unique and complex undertaking, amplification of the statutory WHS requirements for the Defence Seaworthiness context is necessary. This amplification of safety obligations and provision of the means to discharge them is achieved through the adoption of a structured seaworthiness framework. While this framework provides an assurance function, command remains both legally obligated, and best placed, to ensure safety.

6. Accountabilities

- 6.1 While regulatory accountabilities are targeted at the NVO, the ANC Framework does not subordinate or undermine command accountabilities. The NVO retains accountability for capability, safety and environmental related decisions.

7. Competent Organisations

- 7.1 The ANC Framework is established on the basis that Competent Organisations provide permissible evidence in support of the issue of an Australian Naval Classification Certificate by the ANCA.
- 7.2 In the civil regulatory domain, the term Recognised Organisations is used to denote an organisation, usually a Classification Society, that is formally delegated to undertake plan approval, survey and certification functions on behalf of a flag state. The use of Competent Organisations under the ANC Framework is similar to the model under the civil maritime regulatory framework. However, unique differences apply:
 - 7.2.1 Competent Organisations are not delegates of ANCA. They are recognised or authorised by ANCA, but do not have a delegation to issue certificates or provide advice on behalf of the ANCA.
 - 7.2.2 Competent Organisations under the ANC Framework extend beyond IACS Classification Societies and includes defence organisations that provide independent survey and statements of compliance against military standards and regulations.
- 7.3 The relationship between the NVO, ANCA and Competent Organisations is shown in Figure 1 below:

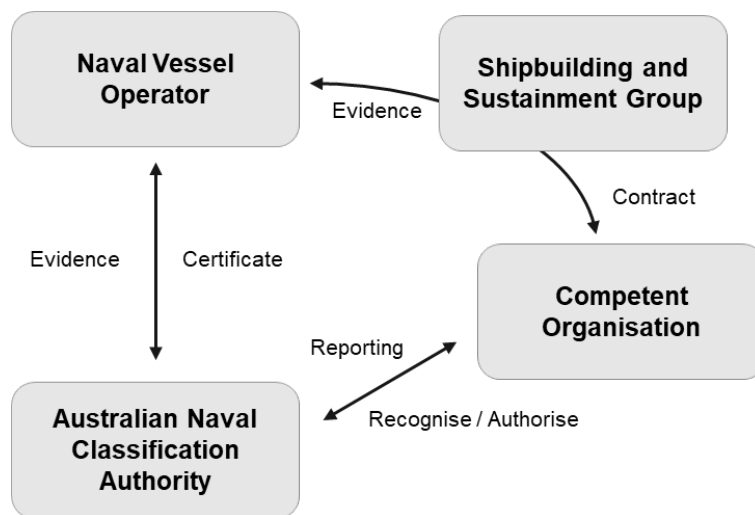


Figure 1 Relationship between NVO, ANCA, Competent Organisations and NSSG

- 7.3.1 **NVO.** The NVO is responsible for ensuring that design, material and equipment selection, construction and in-service operation and maintenance are carried out and demonstrating that this is undertaken correctly in accordance with solutions agreed with the ANCA. Where verification of compliance and the issue of any subordinate certifications (i.e. other than the ANC Certificate) are not to be provided by the ANCA the NVO is, with the agreement of the ANCA, to task a Competent Organisation to do this. Tasking of a competent organisation will typically be undertaken through the Naval Shipbuilding and Sustainment Group under contract through the build and sustainment of a Naval Vessel.
- 7.3.2 **ANCA.** The ANCA is responsible for putting in place arrangements for safety assurance and ensuring that standards are available that are suitable for naval vessels. The ANCA is also responsible for ensuring the NVO has access to either the ANCA or a suitable Competent Organisation who will confirm verification of compliance and issue statements of compliance against the vessel role, operating and maintenance philosophy, environmental conditions, survivability requirements set out in the (Operating and Support Intent) OSI; and
- 7.3.3 **Competent Organisation.** A Competent Organisation recognised or authorised by the ANCA who will, when tasked by the NVO, confirm verification of compliance and issue statements of compliance to support the attestation of compliance to the ANC Framework.

Chapter 2: Attaining Naval Classification

Rule 0. General Provisions

- 0.1 Attaining Naval Classification is the process of the application of the ANC Rules, in the context of the Naval Vessel's OSI, to create an ANC Basis, against which compliance evidence is collected in an ANC Record, which is used to demonstrate compliance for issuance of an ANC Certificate.

Rule 1. Operating and Support Parameters

- 1.1 An OSI is mandated for all Naval Vessels by the Defence Seaworthiness Management System. The OSI is a key part of the ANC Framework, and is required to support the process of Naval Classification.
- 1.2 The relevant parameters required to support the classification of a Naval Vessel under the ANC Framework are defined as the Operating and Support Parameters (OSP). The ANCA provides a template for these parameters that should be used by the NVO to document their operational requirements. This document may be an annex of the OSI and could be split in two parts for practical reasons; a classified and a non-classified part.
- 1.3 A Naval Vessels OSI should be endorsed by the ANCA.
- 1.4 Key aspects of the OSI defined by the NVO include:
- 1.4.1. Primary and secondary roles. These should include descriptions of all roles of the vessel, be they combat, constabulary or statutory.
- 1.4.2. Vessel Attributes. This should include the identification of key vessel attributes including:
- (a) Details of cargo and payloads, including emergency and disaster relief loading, weights, volumes and locations, and the means by which they are to be embarked, used and disembarked;
 - (b) Numbers and type of embarked personnel, and the accommodation philosophy (space, access, key facilities);
 - (c) Key performance aspects (speed, endurance); and
 - (d) Anticipated life of the vessel.
- 1.4.3. Survivability. The required post-damage operational capability, the extent of damage to be taken into account, and the recovery philosophy;
- 1.4.4. Environment. Taking into account the sea areas to be navigated, a definition of the environmental characteristics that will affect the design and operation of the vessel including meteorology, climatology, sea conditions, oceanography, geotechnical and human aspects of the environment;
- 1.4.5. Operating philosophy. Key aspects such as the:
- (a) Operational life and the level of maintenance anticipated;
 - (b) Crewing philosophy, operating regime, experience and training;

- (c) Operating restrictions and limitations (e.g. coastal transit only); and
- (d) Specific philosophy for each technical area (i.e. structure and buoyancy, machinery, electrical, fire safety, escape, evacuation, rescue, radio communications, carriage of dangerous goods, aviation systems, habitability, combat systems, environmental protection and medical facilities).

1.4.6. Maintenance philosophy. Covering both survey and maintenance:

- (a) Survey periodicity (e.g. continuous or periodic, time between major and minor upkeep periods, extent and depth of different surveys);
- (b) Upkeep and repair philosophy;
- (c) Disposal philosophy and associated environmental issues; and
- (d) Recycling convention.

1.5 The OSI is to be maintained, making sure the intentions of the ANC Rules are met during the life of the vessel.

1.6 Defining the Environment

1.6.1. In order to design the vessel to be capable of operating in the desired sea locations and times of year, it is necessary to define the environment that is likely to be encountered, including:

- (a) Meteorology and climatology (above surface). Wind, precipitation, air temperature – high, air temperature – low, air humidity, visibility, atmospheric pressure, solar radiation, electro-magnetic discharge, air quality, flora and fauna.
- (b) Sea surface (interface). Waves, tide, green seas and spray, ice navigation, sea surface quality (floating objects, pollution), vessel motions, and vibration.
- (c) Bathymetry and oceanography (below surface). Pressure (depth), ocean currents, water quality, sea temperature, flora and fauna.
- (d) Geotechnical. Bottom/ground conditions, and banks (including canals).
- (e) Human Caused Environment. Berthing, beaching, docking (including inspection of the underwater parts of the vessel), towing and salvage, acoustic and electro-magnetic fields, launching, noise and vibration, and superimposed equipment loads.

Rule 2. ANC Basis

2.1 The ANC Basis is a key component of attaining naval classification, and is the effective baseline that is used in the quantitative assessment to determine whether a vessel is compliant with the ANC Rules. The ANC Basis is developed in consultation with the NVO and approved by the ANCA. It is to be developed as early as practicable in a naval vessel's acquisition process.

2.2 The ANC Basis is formed in three parts:

2.2.1. Part A – Applicable ANC Rules for [Vessel]

2.2.2. Part B – Approved Solutions for [Vessel]

2.2.3. Part C – Justification for Alternative Solutions.

Note: Depending on the type of acquisition, it may not be possible to obtain a completed ANC Basis (Part A, B and C) prior to an Approach to Market, as the solutions are likely dependent on the responses provided by tenders or proponents of the procurement. At a minimum, an Approach to Market should include an approved ANC Basis Part A which can then be used as a tool for comparing responses to the market approach.

2.3 Alternative Design and Arrangements

2.3.1. Designs and arrangements may deviate from selected solutions to the ANC Rules, provided that the design and arrangements meet the goals and performance requirements of the appropriate rule and are agreed by the ANCA.

2.3.2. An engineering analysis is to be prepared and submitted to the ANCA. The analysis should be based on the guidelines developed by the IMO. The analysis should include, as a minimum, the following elements:

- (a) Determination of the vessel type, systems, equipment and space(s) concerned;
- (b) Identification of solution(s) with which the vessel will not comply;
- (c) Identification of the hazards associated with the vessel, systems, equipment and space(s) concerned and documentation of the hazard identification and mitigation processes undertaken to demonstrate equivalency with the solution(s) with respect to safety/seaworthiness and protection of personnel;
- (d) Determination of the required safety performance criteria for the vessel, systems, equipment or the space(s) concerned addressed by the solution(s) in particular:
 - (i) performance criteria should be based on the Functional Objectives and on the Performance Requirements of the appropriate chapter;
 - (ii) performance criteria should provide a degree of seaworthiness not less than that achieved by using the solutions;
 - (iii) performance criteria should be quantifiable and measurable;
- (e) Detailed description of the agreed functionality of the arrangement including normal, failure and emergency modes;
- (f) Detailed description of the alternative design and arrangements, including a list of the assumptions used in the design and any proposed operational restrictions or conditions;
- (g) Demonstration that the integration requirements defined in ANC Rules are complied with;
- (h) Identification of any specific through life maintenance requirements to maintain the overall seaworthiness of the arrangement; and
- (i) Technical justification demonstrating that the alternative design and arrangements meet the required performance requirements and criteria.

Note: Solutions prescribed by ANCA in Part 2 of the ANC Rules are justified by ANCA as providing a minimum level of acceptability. The selection of a Part 2 solution contained within the ANCRs does not require additional justification. A justification statement is only required when the solution deviates from the prescribed or an alternative design and arrangement is chosen by the NVO.

Note: Refer to IMO MSC.1/Circular.1455 – Guidelines for the Approval of Alternatives and Equivalents for guidance in the provision of an engineering analysis to support alternative designs and arrangements.

Rule 3. ANC Record

- 3.1 Verification is undertaken against the solution level to verify that a vessel is compliant with the ANC Basis.
- 3.2 Guidance on the types of verification activities used to support Naval Classification is provided below:
 - 3.2.1. A review of the OSI. Generally, this involves communication of the use of the vessel to those undertaking the appraisal of the design so they can ensure appropriate standards are being applied and all relevant design loads, operational conditions and criteria are addressed.
 - 3.2.2. Plan appraisal. Plan appraisal is a technical review of the platform design plans and related documents to verify compliance with the rules, standards or solutions to which the vessel or system has been designed. It will generally include: examination of plans, specification, calculations, analyses, engineering justifications, a review of test reports together with selected independent calculations. These are to be of sufficient scope to confirm that the vessel is in compliance with the approved solution. A statement confirming the compliance of the design will normally be issued by a Competent Organisation.
 - 3.2.3. Certification of the equipment and components. Plan appraisal of the equipment design, survey of manufacture and witnessing of test and trials is required for key equipment in the supply chain when it is produced. To confirm equipment is in compliance with the standards, certification will normally be issued. This can be specific to a single item of equipment or covering a range of similar types of equipment. The nature of the verification process and they type of certification will vary depending on the equipment type and criticality, for key items of equipment or modules, a certificate will be issued for each item by a Competent Organisation. For less critical equipment, manufacturer's certification may be acceptable. This may include: construction certificate, type approval certificate, type test certificate, manufacturer's certificate or Marine Equipment Directive certificate.
 - 3.2.4. Survey of the material state of the vessel. Will be required during build to confirm compliance with the appraised design and requirements of the Code. Surveys are to be undertaken by Competent organisations and will generally involve a mix of direct inspection, process audit, random inspections and review of certification; appropriate to the production facility, materials and equipment.
 - 3.2.5. Witness of tests and trials. Will be undertaken by Competent Organisations to demonstrate the safety features, Performance Requirements and functionality required by the ANC Rules. Some trials will need to be undertaken at sea in representative operating conditions to fully test the vessel.
- 3.3 Survey of a Naval Vessel to Merchant Marine Flag Administration requirements
 - 3.3.1. Where adoption of national and/or international conventions is required and the vessel is a government vessel engaged for non-commercial purposes, the ANCA will agree survey procedures with the respective flag state administration.
- 3.4 Declaration of Seaworthiness (Materiel)
 - 3.4.1. The ANC Framework has been founded on international standards and conventions, and expanded to include Australian unique requirements. Accordingly, the function of certifying

and permissioning bodies in the ANC Framework are consistent with these international approaches.

- 3.4.2. The term 'certify' may be applied differently in different contexts, and depending on the context in play at the time policy might allow a wide range of individuals in various organisations to issue certificates. This level of confusion is unhelpful within a Seaworthiness context, and a clear and singular definition of certification has been developed for attesting compliance of naval vessels to prescribed design standards.
- 3.4.3. The international Standards Organisation (ISO) defines certification (act of certifying) as a third party attestation of conformity with standards, where the third party is independent of the activities undertaken by the organisations requesting certification. In the context of the ANC Framework, this includes:
- (a) All activities conducted by the NVO;
 - (b) All activities conducted by CASG/NSSG as the representative of the NVO in the acquisition/sustainment of naval vessel;
 - (c) All activities undertaken by Industry in the design, construction and maintenance of Naval Vessels; and
 - (d) All activities (and certificates) undertaken by Competent Organisations in support of the classification of naval vessels;
- 3.4.4. This definition of certification aligns with the third Line of Defence (LOD) established within the DSwMS. The ANCA as an independent 3rd LOD organisation is therefore responsible for certifying compliance of naval vessels against the applicable ANC rules, it does this through the issuance of an ANC Certificate. This approach is consistent with international and national statutory practices for certification.
- 3.4.5. The roles and authorities exercised by the NVO are much broader in scope than that exercised by the ANCA. While the scope of the ANCA is constrained to the materiel certification of a naval vessel's design and construction, the role of the NVO spans further.
- 3.4.6. While it is in the remit of ANCA to prescribe rules, check compliance and issue a certificate, it is the role of the NVO to declare that a Naval Vessel is seaworthy from a materiel perspective.

Rule 4. ANC Certificate

- 4.1 Noting that ANCA is independent of the Chain of Command, the suspension or withdrawal of a Naval Vessels classification certificate will not physically prohibit a Naval Vessel from sailing or stop an operational tasking. However, the NVO must acknowledge the risks in conducting an activity without a valid ANC Certificate and ensure that suitable controls are in place to eliminate or minimise risks to personnel and the environment SFARP.
- 4.2 The mechanism for the NVO to accept the risks for continuing operation is through the use of a Command Clearance. This process is described in Chapter 02 Maintaining Naval Classification.

Chapter 3: Maintaining Naval Classification

Rule 0. General Provisions

- 0.1 Maintaining Naval Classification contributes fundamentally to an NVO's ability to demonstrate that a Naval Vessel remains in Naval Class, and therefore continues to comply with the ANC Rules and the Defence Seaworthiness Regulations.
- 0.2 The NVO is therefore required to undertake all necessary management activities to ensure the ANC Certificate remains valid throughout the operating life of a Naval Vessel. The NVO can appoint another Commonwealth organisation to discharge this responsibility.

Rule 1. Maintain Naval Vessel

- 1.1 The condition of the Naval Vessel and its equipment should be maintained to ensure that the Naval Vessel in all respects will remain fit to operate in accordance with the OSI without danger to the vessel or embarked persons.
- 1.2 After any survey of the Naval Vessel has been completed, no change should be made in the material state (including structural arrangements, machinery, equipment and any other items covered by the survey) without the approval of the ANCA.
- 1.3 Whenever an accident occurs to a Naval Vessel or a defect or deviation is discovered, any of which affect the safety of the Naval Vessel including its essential safety functions, the NVO should report at the earliest opportunity to the ANCA, and, where applicable, the appropriate Competent Organisation. The organisation responsible for issuing the relevant statement of compliance should initiate investigations to determine whether a survey is necessary and hence whether any subsequent operational limitations are necessary in the short term prior to repair or changes to design, maintenance or operation procedures are implemented in the long term.
- 1.4 Procedures are to be established to ensure that the Naval Vessel and its equipment are maintained in conformity with the provisions of the relevant rules and standards.
- 1.5 Inspections should be integrated in the vessel's operational maintenance routine and included in the Naval Vessel's Planned Maintenance System if applicable.
- 1.6 The NVO is encouraged to conduct periodic routine tests, inspections and maintenance to provide assurance that critical structure, equipment and systems will operator as and when required and as a means of maintaining compliance with classification requirements between surveys. However, these schemes are not accepted as an equivalent to or a substitute for surveys conducted by Competent Organisation surveyors.

Rule 2. Management of Non-Compliances

- 2.1 Conditions may be imposed on a Naval Vessel that exhibits a seaworthiness condition that could affect the safety of persons on-board or pose a substantial threat to the environment. This could include damages due to grounding, structural defects, machinery failure or wastage over allowable limits.
- 2.2 Memorandums may be applied for identified non-compliances that do not have a material impact on the ANC Basis or ANC Certificate and does not affect the safety of persons on-board the vessel or pose a threat to the environment. These could include minor remarks or

observations identified in an annual survey by a Competent Organisation, or a machinery defect that is substantially mitigated through operational controls.

- 2.3 Notes may be applied by the ANCA for items that warrant record keeping over the course of a Naval Vessels operating life. These could include remarks about an accepted condition, interpretation of a rule or standard, or upcoming changes to regulatory requirements that will apply to the Naval Vessel.
- 2.4 In all cases, the type of non-compliance applied or imposed will be at the sole discretion of the ANCA.
- 2.5 In addition to reporting to ANCA, the NVO should notify the relevant Competent Organisation of any condition that results in a non-compliance to the Naval Vessels approved ANC Basis or any unsafe condition on the Naval Vessel.

Rule 3. Command Clearances

- 3.1 On occasion, to maintain key capabilities at high levels of operational readiness and to undertake non-discretionary activities in support of Australia's national interest, commanders may be required to operate naval vessels outside of the approved ANC Basis or against operational limitations recommended by ANCA through an imposed Condition (Non-Compliance).
- 3.2 Operating Naval Vessels in this manner may affect the vessels suitability to be seaworthy to operate. This rule requires the NVO to establish a process to manage the risk to seaworthiness for vessels operated under a Command Clearance.
- 3.3 Due to the breadth of circumstances that may be approved by a Command Clearance, the documentation of the decision-making process may range from a stand-alone Command Clearance approval that elaborates on the factors considered, through to being documented in a risk assessment process used for a deferred defect.
- 3.4 Regardless of the documentation method, the Command Clearance approval should document the risk assessment.
- 3.5 In any Command Clearance decision and associated risk assessment process, the option to not conduct the activity remains valid.

Rule 4. ANC Basis Change Management

- 4.1 During a Naval Vessel's service life, it is likely to undergo alterations in its role and its systems, configuration and equipment to meet contemporary operational needs, this could include a change in the vessel's operating functions, which should invoke a change in the OSI. When a change of OSI scope occurs, this is to be considered against the Naval Vessels ANC Basis.
- 4.2 If a Naval Vessel is to continue to meet the design intent and retain the levels of safety delivered by the implementation of Naval Classification, any alterations or additions are to be assessed for impact on the vessel's Naval Classification.
- 4.3 Processing changes to an ANC Basis is a collaborative activity between the NVO and ANCA.
- 4.4 Responsibilities of the NVO include:
 - 4.4.1. Identification and documentation of changes that impact the ANC Basis for the ANCA's assessment;

- 4.4.2. Amending the relevant parts of the ANC Basis for the ANCA's approval; and
- 4.4.3. Implementing the change in accordance with the approved ANC Basis.
- 4.5 Responsibilities of the ANCA include:
 - 4.5.1. Review of change proposals;
 - 4.5.2. Amending relevant parts of the ANC Basis if required; and
 - 4.5.3. Approval of the change.

Rule 5. Maintain ANC Record

- 5.1 A vessels ANC Record is to be maintained for the life of the vessel to ensure that key documents remain available for consultation as required. This should include approved plans, analysis, testing, component certification and survey records.
- 5.2 The NVO is responsible for the maintenance of the ANC Record and ensuring that the record remains accessible by ANCA.