



Australian Government

Defence

**DEFENCE SEAWORTHINESS REGULATORY SYSTEM
PUBLICATION 102 – INDEPENDENT SEAWORTHINESS
MANAGEMENT REVIEW**

This document is issued for use within the Defence maritime domain and is effective on promulgation of the Defence Seaworthiness Management System Policy.

A handwritten signature in black ink, appearing to be 'RA Durbin', written in a cursive style.

RA Durbin, CSC
Rear Admiral, RAN
Head Navy Engineering and Defence
Seaworthiness Regulator

Department of Defence
CANBERRA ACT 2600

26 July 2024

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**Defence Seaworthiness Regulatory System Publication 102 (DSwRSP 102) –
Independent Seaworthiness Management Review**
Edition 1, 2024

Sponsor:

Defence Seaworthiness Regulator (DSwR)

Cancellation:

Defence Seaworthiness Management System Manual Edition 3 AL3

Developer:

Executive Director, Office of the Defence Seaworthiness Regulator (ED ODSwR)

¹ <https://www.legislation.gov.au/Series/C1968A00063>

² <https://www.legislation.gov.au/Series/C2004A04868>

³ <https://www.legislation.gov.au/Series/C2004A03712>

⁴ <http://drnet/AssociateSecretary/security/policy/Pages/dspf.aspx>

FOREWORD

Operating innovatively and flexibly is crucial if Defence Groups and Services are to prosper in contemporary society. The Defence Seaworthiness Management System (DSwMS) supports the Defence organisation to do just that.

The DSwMS requires:

A Capability Managers to define how they will deliver the required operational outcome, what they need to deliver it, and the information needed to make decisions on the seaworthiness of their mission systems across the Capability Life Cycle

B a systematic approach to the management of seaworthiness and justified confidence that maritime mission systems are able to respond to government tasking and operational activities while the hazards to our personnel, the public and the environment are risk managed.

The system defines accountabilities and introduces independent layers of assurance between the Capability Manager and the Seaworthiness Regulator to provide the DSwA with confidence in the seaworthiness of all registered Defence Vessels.

The DSwRS 100 series publications support the Defence Seaworthiness Management System Policy and in turn, Defence Instruction Military Command Support Provision MCS1. The publications describe the DSwMS framework, directions, policies and procedures that guide all Defence and Industry personnel to deliver a lethal seaworthy Defence maritime capability.

The first three publications in the series are a direct replacement for the DSwMSMAN ie:

- DSwRSP 100 describes the intent and rationale for various elements of the DSwMS – including regulatory and risk management and assurance frameworks and operating model requirements
- DSwRSP 101 sets out regulatory controls for the Defence seaworthiness community. It describes Governance and Management Compliance Obligations (GMCOs), Activity and Condition-Based Compliance Obligations (ACCOs) and unifying requirements
- DSwRSP 102 describes the Independent Seaworthiness Management Review (ISwMR) mechanism that provides independent advice on the governance and management of the DSwMS.

Other publications in the 100 series will be produced as required to ensure the DSwMS remains fit for purpose in a fast changing Defence capability environment.

AMENDMENTS

Proposals for amendment of DSwRSP 102 may be sent to:

Office of the Defence Seaworthiness Regulator (ODSwR)
Regulation and Advocacy
Navy Headquarters
Department of Defence
Canberra ACT 2600

Amendment number	Amendment	Amendment type	Effective date

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CHAPTER 1

DEFENCE SEAWORTHINESS MANAGEMENT SYSTEM OVERVIEW

Introduction

1.1 The Defence Seaworthiness Management System (DSwMS) comprises three complementary and aligned components⁵:

- a. The **DSwMS Regulatory Framework**, which articulates compliance obligations expressed as outcomes with associated function and performance requirements, and which must be satisfied to build confidence that hazards and risks to the Seaworthiness Outcome are being controlled. This framework consists of regulations (described in DSWRSP 101) of two types:
 - (1) an enterprise type that controls risks inherent in governance and management activities⁶ as they relate to achieving the Seaworthiness Outcome. Regulations of this type are referred to as 'Governance and Management Compliance Obligations' (GMCOs)
 - (2) a type specific to a maritime mission system and its enabling support system. This type controls hazards and risks inherent in specific mission and enabling support systems. Regulations of this type are referred to as 'Activity and Condition Based Compliance Obligations' (ACCOs).
- b. The **DSwMS Risk Management and Assurance Framework** (described in DSWRSP 100) establishes clear accountabilities for compliance with the obligations, and through assurance provides supporting evidence to justify confidence that hazards and risks to the Seaworthiness Outcome are being effectively managed.
- c. The **DSwMS Operating Model**, which ensures the frameworks are developed, maintained and applied in a mindful and systematic manner through a series of core processes conducted by both the Defence Seaworthiness Regulator (DSwR - the single regulator of the DSwMS) and the regulated.

⁵ DSwRSP 100 provides a detailed explanation of the DSwMS design of each component, including obligations imposed on the Defence Seaworthiness Regulator (DSwR) and the regulated community (particularly Capability Managers and other duty holders).

⁶ For example risk exists where governance and management activities: (a) are not suitable (not aligned, or do not produce the outcome to the specified performance requirement); (b) are suitable but are not followed (not available/not aware, training and competency inadequate etc.); (c) are suitable but not adequately resourced.

1.2 Collectively, these components create an enterprise wide system for control, through regulation, of hazards and risks to the Seaworthiness Outcome throughout the Capability Life Cycle (CLC).

Glossary

1.3 Definitions, acronyms and abbreviations relevant to this publication are detailed in the Glossary contained in DSwRSP 100.

Defence Seaworthiness Outcome

1.4 The Seaworthiness Outcome is outlined in the Defence Seaworthiness Management System Policy and described in more detail in DSwRSP 100.

Defence Seaworthiness Argument

1.5 The DSwMS uses formal claims, arguments and evidence to make the case that the Seaworthiness Outcome is achieved for both specific mission systems and across the enterprise as a whole. The Seaworthiness Argument is explained in DSwRSP 100.

Seaworthiness Governance

1.6 The Defence Seaworthiness Authority (DSwA) has responsibilities to assure good governance of Defence seaworthiness arrangements that support Capability Managers in achieving the Seaworthiness Outcome. The model for Seaworthiness governance is explained in DSwRSP 100.

1.7 The DSwA is accountable for assuring justified confidence in the achievement of the Seaworthiness Outcome and is responsible for establishing, managing and reviewing the efficacy of the Defence Seaworthiness Management System (DSwMS) in achieving the Seaworthiness Outcome.

1.8 In order to provide an independent advisory pathway to the DSwA in accordance with contemporary governance practice, the DSwMS design includes an Independent Seaworthiness Management Review (ISwMR) Panel.

CHAPTER 2

INDEPENDENT SEAWORTHINESS MANAGEMENT REVIEW

References

- A. Defence Instruction Provision MCS1 - Defence Seaworthiness
- B. Defence Seaworthiness Management System Policy

AUTHORISING ENVIRONMENT

2.1 Ref A provides the authorising environment for Defence Seaworthiness (including the DSwMS). Ref B establishes an Independent Seaworthiness Management Review (ISwMR) mechanism to provide independent advice on the governance and management of the Defence Seaworthiness Management System (DSwMS), specifically:

- a. the ability of the DSwMS to deliver the Seaworthiness Outcome
- b. the correctness of seaworthiness management regulation and practice in accordance with DSwMS policy
- c. the effectiveness of the management of seaworthiness of ADF maritime mission systems.

2.2 References A and B authorise the DSwA to deliver and manage the Seaworthiness Outcome and provide the basis for the DSwA to convene ISwMR to review and provide advice on the seaworthiness management system.

INDEPENDENT SEAWORTHINESS MANAGEMENT REVIEW

2.3 An Independent Seaworthiness Management Review (ISwMR) will provide advice and recommendations to the DSwA on:

- a. the ability of the DSwMS as designed, implemented, and practised to deliver the Seaworthiness Outcome
- b. the correctness of seaworthiness management regulation, implementation, and practice in accordance with DSwMS policy
- c. the effectiveness of the management of seaworthiness of ADF maritime mission systems.

2.4 In all forms, the advice is to support the DSwA in discharging the responsibility for assuring justified confidence in the achievement of the Seaworthiness Outcome.

Scope

2.5 An ISwMR can be conducted into any aspect of the DSwMS by individuals engaged by the DSwA that are independent of the system (not part of Regulator's organisation or the regulated community).

2.6 The DSwA will convene ISwMRs to inform judgements on the ability, correctness, and effectiveness of the DSwMS across the Capability Life Cycle of maritime mission systems.

2.7 An ISwMR may be convened to review the management of seaworthiness with respect to:

- a. the core elements of the DSwMS (i.e. the regulatory framework and compliance obligations, risk management and assurance framework, and the operating model)
- b. the behaviour and practice of the DSwR
- c. the compliance strategies of the regulated Capability Managers
- d. a Capability Managers' management of the seaworthiness of:
 - (1) maritime mission systems to be introduced into service (the Future Fleet)
 - (2) in-service maritime mission systems (the Fleet-in-Being)
- e. maritime mission system support systems.

2.8 An ISwMR is to consider whether:

- a. a comprehensive system of seaworthiness management has been defined and instituted, and meets the requirement of regulating for the management of seaworthiness
- b. the system is being followed by practitioners at all levels of seaworthiness management and that they are demonstrating accountability for seaworthiness management
- c. the system is effective, in that it is capable of reliably delivering the Seaworthiness Outcome and that confidence in those mission systems being and remaining seaworthy is justified
- d. the system acknowledges, and adapts to, changes in the broader governance environment within which it operates
- e. a measurement system is in use to assess the performance of the seaworthiness management and whether those measurements are utilised adequately to optimise DSwMS performance
- f. the system of management is transparent to the Capability Manager

- g. the system sufficiently captures any emergent risk to the delivery of the Seaworthiness Outcome, as the natural tendencies of steady state operation work to reduce the effort to continuously analyse and optimise system design and performance
- h. the DSwMS design and implementation will deliver the Seaworthiness Outcome
- i. the design, implementation and ongoing development of the DSwMS is adequate.

2.9 The scope of an ISwMR may be limited by the DSwA to those aspects that have been self-assessed as being likely to pose the greatest risks.

Review triggers

2.10 An ISwMR program is promulgated annually by the DSwA. The program is developed and proposed by the ISwMR Panel Coordinator.

2.11 The following matters will be considered for inclusion in the ISwMR program:

- a. DSwA deliberations on the advice provided as a consequence of ISwMRs
- b. changes to DSwMS design and/or compliance obligations
- c. changes in a Capability Manager's compliance strategy
- d. promulgation or change to the operating & support intent of a maritime mission system
- e. planned introduction into service of a maritime mission system
- f. changes to the support environment for maritime mission systems
- g. Capability Manager complaints/concerns in regards to DSwR/ODSwR behaviour or practice
- h. DSwR assessments of the management of seaworthiness that indicate non-compliant, poor, or deviant behaviour by a Capability Manager (or representative)
- i. other matters as directed by the DSwA.

Review conduct

2.12 An ISwMR will convene in accordance with DSwA approved review program or as otherwise directed by the DSwA, and specified in formal notification advice.

2.13 An ISwMR is conducted by way of analysis and assessment of objective evidence sourced from the management system made by regulatory and regulated entities. Where required, regulatory or regulated entities may be required to provide input to supplement that which exists in the management systems.

2.14 An ISwMR will follow a three step process:

- a. **Level 1.** Review objective evidence from the data and measurement tools utilised by the regulatory and regulated entities managing seaworthiness. The evidence to be reviewed will, in general, be identified by a Standard Information Review Set (SIRS) appropriate to the nature of the review.
- b. **Level 2.** Where the analysis of the first level evidence identifies the need for further analysis of specific issues, relevant entities (regulatory or regulated) will be requested to respond to a request for information (RFI). The RFI may also be discussed in an informal review meeting with the Executives of the relevant entities (regulatory or regulated).
- c. **Level 3.** Where analysis of the evidence collected at the first and second levels indicates unacceptable levels of risk or where the required advice is unable to be composed, relevant entities (regulatory or regulated) will be requested to attend a formal review meeting in order to answer questions, supplement information, or otherwise provide clarification to obviate uncertainty.

2.15 The SIRS provides a basis for consistent review but may not comprise the totality of information a Level 1 Review may consider. The SIRS must be promulgated, regularly revised, and updated as necessary to ensure that the ISwMR remains contemporary. SIRSs will be maintained for each category of Review (systemic, mission system – future force, mission system – force-in-being etc.). SIRSs and any changes to them are to be approved by the Panel Coordinator.

2.16 Where an ISwMR requires information beyond Level 1, RFIs will be issued to relevant entities.

Review outcomes

2.17 The outcome of an ISwMR is advice to the DSwA relevant to the purpose of the Review. This advice can be formulated at the completion of any level of review when sufficient confidence exists. The advice is to be in written form per an ISwMR Report.

2.18 The ISwMR Report should explain what was observed, what was noteworthy, and what was of concern. Where concerns exist, recommendations as to remedies should be proffered, if that is within the competence of those conducting the review. The DSwA may convert these recommendations into Seaworthiness Corrective Actions (SCAs). Further guidance on SCAs is available in DSwRSP 100.

Reviewers

2.19 An ISwMR will be conducted by at least two members assigned by the DSwA. Selection of members will be based on the nature of the ISwMR to be conducted.

2.20 A panel of members is to be formed from individuals appointed by the DSwA for the purpose of conducting an ISwMR. Membership of the Panel can comprise:

- a. personnel of the active Reserve Service with extensive experience in the governance and management of Defence maritime mission systems or maritime support systems
- b. retired Senior Executive Service members of the Australian Public Service (APS) with extensive expertise in the fields of governance and management, technical, support, safety and/or environmental management practices and requirements.

2.21 The DSwA may appoint other members to participate in an ISwMR where the specific review expertise is not available in the Panel. This may include members from within and external to the Department of Defence.

2.22 Members of the Panel are to be:

- a. independent of the DSwMS
- b. have no vested interest in any entity, Government or Industry, involved in the delivery of the Seaworthiness Outcome where such involvement is or could be perceived to be a conflict of interest (per the conflict of interest instructions in the department).

2.23 Members are appointed to the Panel for a maximum of six years under a letter of appointment signed by the DSwA and relevant service-provider engagement arrangements.

2.24 Panel members are accountable for the advice they provide.

2.25 Panel members are authorised to:

- a. access in-use seaworthiness management information (Level 1 Review)
- b. call for information, and if necessary meet with executives, from across the Defence organisation (Level 2 Review)
- c. require any entity to attend a review meeting (Level 3 Review).

2.26 An ISwMR Handbook is to be maintained to govern the ISwMR processes and practices, inclusive of how Panel members are assigned, the format of the RFI and ISwMR Report, the maintenance of the SIRS, and the management of ISwMR resources. The Handbook is to be presented to the DSwA for review and approval at intervals not exceeding 3 years.

ORGANISATIONAL RESPONSIBILITY

2.27 The ISwMR does not obviate the responsibility of the regulators and the regulated to manage the seaworthiness of maritime mission systems and immediately correcting shortcomings they have identified.

2.28 The DSwA requires that respondents to an ISwMR actively participate, are open and truthful, and provide complete disclosure of evidence.

ISwMR ADMINISTRATION

2.29 Support for the conduct of ISwMR is provided by the Panel Secretariat in the Office of the Defence Seaworthiness Regulator (ODSwR).

2.30 Resources for the conduct of ISwMR are assigned to the DSwR. Authority for the allocation and expenditure of resources rests with the ODSwR.