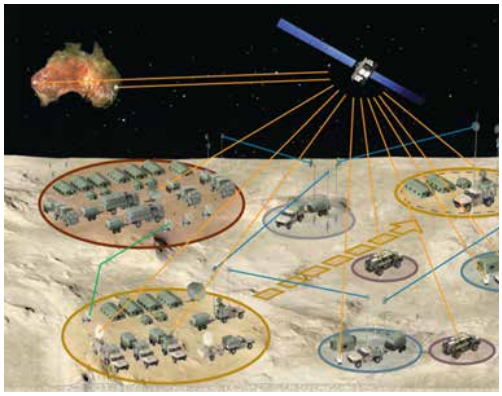
Project Data Summary Sheet[158]

Project Number	**JNT2072 Phase 2B[159]**
Project Name	**BATTLESPACE COMMUNICATIONS SYSTEMS**
First Year Reported in the MPR	2017-18
Capability Type	Replacement
Capability Manager	Chief of Army
Government 1st Pass Approval	May 11
Government 2nd Pass Approval	Apr 15
Budget at 2nd Pass Approval	$915.7m
Total Approved Budget (Current)	$942.9m
2021-22 Budget	$92.0m
Complexity	ACAT I



Section 1 – Project Summary

1.1 Project Description

JNT2072 Phase 2B will provide the Battlespace Communications System Land (BCS-L) deployed wide-band backbone by replacing and enhancing the existing Battlefield Telecommunications Network (BTN) capability within Army and Air Force. JNT2072 Phase 2B shall deliver the Integrated Battlefield Telecommunications Network (I-BTN) in three capability Releases. Release 1 shall provide transit case nodes, and Release 2 and Release 3 shall provide vehicle mounted nodes and additional capabilities. The end state will be an I-BTN that provides greater capacity, more effective switching, wireless and wired network infrastructure supporting secure voice, data and video services. The I-BTN contractor is Boeing Defence Australia.

JNT2072 Phase 2B is required to provide end to end connectivity from the Mission Partner Environment (MPE), through and within the I-BTN, and to the Defence Terrestrial Communications Network (provided by JNT2047 Phase 3).

JNT2072 Phase 2B has provided supplementary funding to Joint Command, Control, Communications, Computers and Intelligence Systems Program Office (JC4ISPO) for the procurement of 259 Deployable Local Area Network (DLAN) systems for integration with I-BTN.

JNT2072 Phase 2B is scoped to deliver additional Enhanced Deployable Local Area Network (EDLAN) hardware.

JNT2072 Phase 2B will also acquire a Terrestrial Range Extension System (TRES) to extend the range of tactical radios procured under earlier phases of JNT2072.

1.2 Current Status

Cost Performance

In-year

The Project has spent $70.0m this financial year against a budget of $92.0m. The variance of $22.0m is mainly due to costs related to the delay caused by COVID-19 pandemic to the project's schedule and the availability of Army and Air force units to receive and train on the equipment. The flooding in South-East Queensland in early 2022 also caused further delays. The project also experienced some delays caused by safety issues on the vehicle's battery, procurement of spares by sustainment, and Army's re-prioritisation.

Project Financial Assurance Statement

As at 30 June 2022, JNT2072 Phase 2B has reviewed the approved scope and budget for those elements required to be delivered by the Project. Having reviewed the current financial and contractual obligations of the Project, current known risks and estimated future expenditure, Defence considers, as at the reporting date, that there is sufficient budget including contingency remaining for the Project to complete against the agreed scope.

Contingency Statement

The project has applied contingency in the 2021-22 financial year for the treatment of COVID-19 related delays on the completion of project's tasks and milestones, and to add requisite spares to I-BTN Release 3.

Schedule Performance

In March 2020, Boeing started reporting COVID-19 impacts to the project due to social distancing measures, travel restrictions and supply chain issues. On 9 February 2021, Boeing indicated an overall four month delay to schedule as a result of COVID-19.

158 Notice to reader

Forecast dates and Sections: 1.2 (Materiel Capability Delivery Performance), 1.3 (Major Risks and Issues), 4.1 (Measures of Materiel Capability Delivery Performance), and 5 (Major Risks and Issues) are excluded from the scope of the ANAO's review of this Project Data Summary Sheet. Information on the scope of the review is provided in the *Independent Review Report by the Auditor-General* in **Part 3** of this report.

159 JNT2072 Phase 2B was originally approved as a JOINT PROJECT (JNT) within the broader JNT2072 program, but since second pass it has been managed and reported as a LAND project. The remainder of this report will refer to JNT2072 Phase 2B.

A schedule only CCP (039) was submitted on 25 February 2021 proposing a four month extension to COVID-19 impacted Release 3 milestones, a five month extension for Release 2 System Maintenance Review, and movement of Release 2 Medium SATCOM Terminal milestones in line with COVID-19 impacts. On 15 June 2021, the CCP 039 Deed was signed resulting in an overall extension of the contract schedule of four months. This impacted FOC. Army advised Government of a revised FOC date of September 2023. Since February 2022 Boeing Defence Australia continues to be impacted by COVID-19 and also by Queensland flooding events. Boeing Defence Australia's delivery schedule for Release 3 vehicle mounted material is delayed by ten months, however this is not expected to impact FOC. Acceptance of vehicle mounted nodes is now scheduled for completion by December 2022. This excludes I-BTN Release 3 System Material Release (HQOTM) which is subject to Safety Report On Defective or Unsatisfactory Materiel (RODUM). This stoppage is described under Materiel Capability Delivery Performance.
The Commonwealth has entered into contract with Boeing Defence Australia for an activity to risk reduce the aerial component of TRES. This contract (S&Q21) commenced June 2022 for completion September 2022. This activity will inform the duration of a subsequent equipment development and procurement process.

Materiel Capability/ Scope Delivery Performance
IMR, as defined in the contract, was achieved by Boeing in December 2017, allowing the Capability Manager to declare IMR in February 2018. Achievement of Initial Operating Capability was declared in March 2018.

Boeing is on schedule to deliver most elements of future releases of the contracted capability. The exception is the Release 3 Systems Maintenance Release (SMR) known as Headquarters On-the-move (HQ OTM). In May 2022, Defence issued a safety direction (RODUM) to stop work on the host Bushmaster Protected Mobility Vehicle – Medium (PMV-M). In response Boeing advised that delivery would be affected; however it is unable to quantify the delay until the issue is remediated by third party vendors. JNT2072 Phase 2B anticipates that once resolved the delay to material release and user training will result in a delay to FMR but not FOC.

JNT2072 Phase 2B has commenced tethered aerial TRES risk reduction activities through Boeing. The project will develop procurement recommendations for Army endorsement on completion of the risk reduction activity.

Note

Forecast dates and capability assessments are excluded from the scope of the Auditor-General's Independent Assurance Report.

1.3 Project Context

Background
JNT2072 is a multi-phased program to define the Battlespace Communication Systems (Land) (BCS (L)) Communications Architecture, govern the design, incremental implementation and verification of system elements across a number of projects as well as acquire systems and equipment.

JNT2072 Phase 2B will enhance and modernise land force communications by replacing existing ADF deployable communication information systems. It will replace and enhance the existing Battlespace Telecommunications Network (BTN) with an Integrated Battlespace Telecommunications Network (I-BTN). The I-BTN will provide secure communications within deployed ADF Headquarters, in order to effectively network commanders and their subordinate staff, allowing them to exchange voice, data and video. This capability will be further enhanced through the provision of a Headquarters On The Move (HQOTM) capability. JNT2072 Phase 2B will also deliver a TRES, with the project currently preparing the procurement documentation.

Second Pass approval also included a new purpose built System Support Facility (SSF). This facility replaces the previous support facility that has been operating out of demountable buildings. The design and construction of the SSF was delivered by E&IG, with the new facility commissioned in September 2017.

The I-BTN capability being delivered is classified as developmental, as no Off-The-Shelf systems were available to meet the requirements for the I-BTN. The I-BTN is being developed to integrate a range of both developmental components as well as a range of Off-The-Shelf components, to meet the requirements.

The I-BTN capability is being delivered in three releases:

Release 1 is a Transit Case based capability with an initial level of functionality of the Network Planning and Management System (NPMS). Commencement of delivery of Release 1 capability is aligned to achievement of IMR 1A.

Release 2 is additional bearers and includes the Medium Mounted Satellite Communications capability, tropospheric scatter, External Network Access Point and an additional Currawong Network Edge Strategic to Tactical (CNEST) tactical interface site.

Release 3 included Vehicle Mounted nodes and the Headquarters On The Move (HQOTM) node as well as secure voice and video services. Completion of delivery of Release 3 capability is aligned to achievement of Final Materiel Release (FMR).

TRES will provide ground based and tethered aerial retransmission of terrestrial tactical communications systems. TRES is not a component of the I-BTN and achievement of I-BTN FOC is not dependant on TRES.

A Performance Based Support Contract was signed at the same time as the Acquisition contract in September 2015 with the Contractor. The Support Contract initially had a three year term with rolling one year extensions to a maximum of 12 years. The operative date of the Support Contract was 29 January 2018. As a consequence of CCP015, the introduction into service of equipment has been delayed resulting in an extension in Support Contract term of 3 to 5 years at a reduced yearly expenditure. The total saving over the 5 year period is approximately $6.0 million. The Support Contract was transitioned to Battlespace Communications Operations Group (BCOG) in June 2018.

Uniqueness
The project is highly complex and technically challenging as a result of having to design an I-BTN which integrates capabilities being delivered by other projects within CASG and Chief Information Officer Group (CIOG), as well as to deliver an I-BTN technical solution which is required to interoperate with a multitude of external interfaces.

Boeing is required to design and verify that the I-BTN provides end-to-end connectivity of specified Battlespace Communications System (Land) Services from the tactical environment into the strategic network. Boeing is executing the project in three capability releases across seven years.

Boeing is developing both hardware and the network planning and management system software, as well as buying and integrating Off-The-Shelf equipment. Boeing is also required to integrate its system with existing satellite bearer systems and IT systems that have been delivered by other projects within CASG and CIOG.

Major Risks and Issues

The Major Risks for the project are:

- There is a chance that COVID-19 may impact project milestones and the project schedule.

The Emergent Risks for the project are:

- There is a chance that FOC and project closure will be impacted due to the lack of APS5 level practitioners.
- There is a chance that the TRES capability may delay project FMR.

The Major Issues for the project are:

- R2 IIS Equipment Delivery Schedule will not be met due to COVID-19 impacts on production and delivery of equipment.
- COVID-19 has impacted on completion of project tasks and milestones within current schedule time frames, the risk to the September 2023 FOC date is being monitored.
- Project Engineering Team may be unable to exercise the expected level of engineering rigour for Verification and Validation (V&V) activities due to a lack of adequate engineering resources.
- Contract milestones for R3 SMR (HQOTM) will not be met due to safety RODUM delaying Boeing Defence Australia's production and subsequent delay to training.

Other Current Related Projects/Phases

JNT2072 Phase 1, BCS(L): The initial phase of the JNT2072 program, this project has delivered communications bearers to the BMS, and enhancing communications for Australian Defence Force Land elements through the development of an holistic battlespace communications architecture for the Land environment.

JNT2072 Phase 2A, BCS(L): Phase 2A is continuing the rollout of products selected during Phase 1 to primarily provide voice services to dismounted users. Phase 2A will also establish a mature support system for ongoing sustainment of the Phases 1 and 2A materiel systems and contribute to ongoing Prime System Integration activities to evolve the BCS(L) design. Investigation and/or market survey activities will be conducted to specify and identify products for potential procurement in future phases.

JNT2072 Phase 3, BCS(L): This project will introduce into service a digital communication backbone for land based elements of the Australian Defence Force (ADF) and their enabling elements. The capability is aligned with LAND75 Phase 4 as part of a second tranche of LAND200 with the capability being a vital function of the BMS. This phase will enhance the digital communications backbone delivered under previous phases, expand the provisioning to additional land forces and ADF elements, and provide a new capability to support the distribution and data management of the land Battlespace.

JNT 2072 Phase 1 and JNT 2072 Phase 2A delivered the initial Tactical Communications Network (TCN). The scope of JNT2072 Phase 2B includes interface of the I-BTN to the TCN.

Protected Mobility SPO: Coordination of the in service management of Bushmaster PMV fleet (procured by LAND116) including configuration updates.

The I-BTN is required to interface with multiple ADF platforms, including combat and non-combat vehicles, deployable satellite communication systems, and strategic communication systems. Any delays or issues within these platforms and systems can affect the testing, design, delivery or useability of the I-BTN.

Note

Major risks and issues are excluded from the scope of the Auditor-General's Independent Assurance Report.

Section 2 – Financial Performance

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	$m		Notes
	Project Budget			
Oct 11	Original Approved	3.9		1
May 15	Government Second Pass Approval	911.8		2
	Total at Second Pass Approval		**915.7**	
Jun 22	Exchange Variation		27.1	
Jun 22	**Total Budget**		**942.9**	
	Project Expenditure			
Prior to Jul 21	Contract Expenditure – Boeing Defence Australia	(597.1)		
	Contract Expenditure – Kellogg Brown and Root	(19.0)		
	Other Contract Payments/Internal Expenses	(145.8)		3
			(761.9)	
FY to Jun 22	Contract Expenditure – Boeing Defence Australia	(65.2)		
	Contract Expenditure – Kellogg Brown and Root	(4.4)		
	Other Contract Payments/Internal Expenses	(0.4)		4
			(70.0)	
Jun 22	**Total Expenditure**		**(831.9)**	
Jun 22	**Remaining Budget**		**111.0**	

Notes	
1	The project's original budget amount prior to Second Pass Approval.
2	The total budget amount includes supplementary funding to JC4ISPO for the procurement of additional EDLAN systems $126.0m.
3	Other expenditure includes: EDLAN and EDLAN ICT Hardware and Software ($117.5m), Other ICT Hardware & Other Equipment ($1.5m), Technical Services ($3.9m), Travel ($3.8m), Legal Fees ($1.1m), Headquarters on the Move ($18.0m).
4	Other Contract Payments/Internal Expenses includes: Travel, Overheads, Admin, Freight and Office Expenses ($0.1m), ICT Hardware and Software ($0.2m) and Technical Services ($0.2m)

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	Estimate Final Plan $m	Explanation of Material Movements
103.7	92.3	92.0	PBS – PAES: The variation is primarily due to delays caused by the impacts of COVID-19. PAES – Final Plan: Variation relates to small foreign exchange movements.
Variance $m	(11.4)	(0.3)	Total Variance ($m): (11.7)
Variance %	(11.0)	(0.3)	Total Variance (%): (11.3)

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan $m	Actual $m	Variance $m	Variance Factor	Explanation
		(22.0)	Australian Industry	The Project has spent $70.0m this financial year against a budget of $92.0m. The variance of $22.0m is mainly due to costs related to the delay caused by COVID-19 pandemic to the project's schedule and the availability of Army and Air force units to receive and train on the equipment. The flooding in South-East Queensland in early 2022 also caused further delays. The project also experienced some delays caused by safety issues on the vehicle's battery, procurement of spares by sustainment, and Army's re-prioritisation.
			Foreign Industry	
			Early Processes	
			Defence Processes	
			Foreign Government Negotiations/Payments	
			Cost Saving	
			Effort in Support of Operations	
			Additional Government Approvals	
92.0	70.0	(22.0)	**Total Variance**	
		(23.9)	**% Variance**	

2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature $m	30 Jun 22 $m			
Kellogg Brown and Root (Integrated Support Contract)	Jul 15	9.6	25.2	Fixed	Modified Standard Defence Contract (Services)	1
Boeing Defence Australia (I-BTN)	Sep 15	487.2	724.7	Fixed	Modified Standard Defence Contract (Strategic Materiel)	2

Notes	
1	The increase in contract price is due to the extension of ISC services as part of CCP08 which increased the level of resources required to assist in MR2 and MR3. Further price increase is due to the extension of this contract by 12 months as part of CCP10.
2	Increase in Contract Price is due to changes required for the Headquarters on the Move vehicle, Support and Test Equipment and Spares, EDLAN delays and the procurement of I-BTN Release 3 spares, support and test equipment.

Contractor	Quantities as at		Scope	Notes
	Signature	30 Jun 22		
Kellogg Brown and Root (Integrated Support Contract)	N/A	N/A	Range of Integrated Support Contractor (ISC) Services in support of the JNT2072 Phase 2B Project.	
Boeing Defence Australian (I-BTN)	See scope	See scope	1 Force Node Vehicle Mounted 8 Formation Nodes Vehicle Mounted 18 Formation Nodes Transit case 16 Unit Nodes Vehicle Mounted	1

			21 Unit Nodes Transit Case 23 Relay Nodes Transit Case 3 Tactical Interface Stations 18 Headquarters on the Move Nodes	
Major equipment accepted and quantities to 30 Jun 22				
18 Formation Nodes Transit Case 21 Unit Nodes Transit Case 23 Relay Nodes Transit Case 2 Tactical Interface Station 26 Broadband Terrestrial Beyond Line Of Sight (BTBLOS) Transit Case 9 Medium Mounted Satellite Terminal (MMST).				
Notes				
1	The scope of the contract was varied under CCP015, in agreement with the Capability Manager, amending the number of required Tactical Interface Stations from 4 to 3.			

Section 3 – Schedule Performance

3.1 Design Review Progress

Review	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
System Requirement	System Requirements Review (SRR) Release 1 and 2	May 16	N/A	Mar 16	(2)	1
	System Definition Review (SDR) Release 1 and 2	Jul 16	N/A	Mar 16	(4)	1
Preliminary Design	Release 1	Oct 16	N/A	Sept 16	(1)	
	Release 2	Oct 17	Oct 18	Jul 18	9	2,5
Detailed Design	Release 1	Dec 16	N/A	Nov 16	(1)	
	Release 2	Jan 18	Feb 19	Dec 18	11	2
	Release 3	Mar 20	N/A	Nov 19	(4)	4
	Support System – Release 1	Nov 16	Feb 17	Dec 16	1	3
	Support System – Release 2	Jan 18	Mar 19	Feb 19	13	2
	Support System – Release 3	May 20	N/A	Dec 19	(5)	4
TRES Design	Tethered aerial TRES	TBD	N/A	TBD	-	6

Notes	
1	SRR/SDR covered both Release 1 and Release 2.
2	Release 2 was impacted by delays affecting interfacing projects and note this against all Note 2 delays.
3	The Contract was changed with CCP 9 to correct the sequencing of the Support System Detailed Design so it was logically scheduled to occur after the Mission System Detailed Design. Support System Detailed Design for Release 1 was achieved ahead of the current Contract Date.
4	Release 3 was introduced as part of CCP015 that replaced the need for EDLAN integration with an alternate LAN. This reduced reliance on delayed interfacing projects. Detailed Design Review for R3 was achieved earlier than planned as Boeing Defence Australia's work towards target dates. All their artefacts were ready prior to contract date so Detailed Design Review for R3 was entered and into and achieved early.
5	Preliminary Design for Release 2, which was completed in July 2018, included the capabilities that are now being delivered in both Release 2 and Release 3.
6	Dates to be established at completion of risk reduction activity

3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
System Integration	Release 1 Mission System Integration & Interoperability Verification	Jul 17	Dec 17	Dec 17	5	1
	Release 2 Mission System Integration & Interoperability Verification	Apr 19	May 20	Mar 20	11	1
	Release 3 Mission System Integration & Interoperability Verification	Mar 21	N/A	Nov 21	8	2,3
	TRES	TBD	N/A	TBD	-	5
Acceptance	System Acceptance – R1	Aug 17	Feb 18	Dec 17	4	1
	System Acceptance - R2	Jun 19	Jul 20	Apr 20	10	1
	System Acceptance – R3	May 21	Jan 22	Dec 21	7	2,3
	System Acceptance – R3 SMR (HQOTM)	Jan 22	May 22	Sep 22	8	4
	Final Acceptance (FA) - Acquisition Contract	Feb 21	Feb 23	Dec 22	22	2,3
	TRES	TBD	N/A	TBD	-	5

Notes

1	Release 2 expands the capability of Release 1, and has been impacted by delays affecting interfacing projects
2	Release 3 was introduced as part of CCP015 that replaced the need for EDLAN integration with an alternate LAN. This reduced reliance on delayed interfacing projects.
3	The movement of schedule due to CCP039 (COVID-19 Delay) has resulted in a change to these dates. They will be updated in the next endorsed Materiel Acquisition Agreement
4	Delay due to safety Report On Defective or Unsatisfactory Materiel (RODUM).
5	Dates to be established at completion of the TRES risk reduction activity.

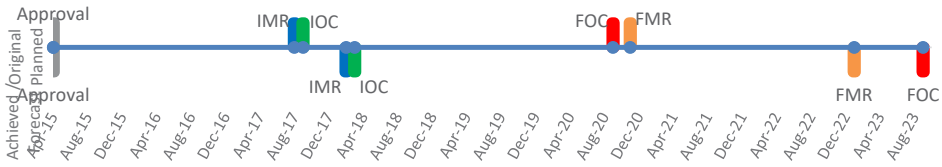
3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
I-BTN				
Initial Materiel Release (IMR) 1A	Aug 17	Feb 18	6	1
I-BTN Initial Operational Capability (IOC)	Sep 17	Mar 18	6	1
(Release 1) Materiel Release 1	Oct 17	May 18	7	2
(Release 1) Materiel Release 2	May 18	Dec 18	7	2
(Release 1) Materiel Release 3	Oct 18	Apr 19	6	2
(Release 2) Materiel Release 5	Dec 19	May 21	18	1,2
(Release 2) Materiel Release 6	Oct 20	Apr 22	18	1,2,3
(Release 3) Materiel Release 7	Nov 21	Dec 22	13	1,2,3
(Release 3) Materiel Release 8	Mar 22	Dec 22	9	1,2,3
I-BTN Final Materiel Release (FMR)	Nov 20	Jan 23	26	2,3
DLAN Hardware Release	Jul 18	Jun 19	12	4
TRES Materiel Release	TBD	TBD	**-**	**6**
I-BTN Final Operational Capability (FOC)	Sep 20	Sep 23	36	5

Notes

1	Due to delays incurred to date with interfacing projects, alternative interim interface requirements for Release 1 were implemented and resulted in a six month slip to IMR 1A and IOC I-BTN. This also deferred the Release 2 Material Releases (Materiel Releases 5 and 6) by making Materiel Release 4 no longer used and introducing Materiel Release 6. CCP15 introduced Release 3 (Materiel Releases 7 and 8) to remove the requirement to integrate I-BTN with EDLAN. There was a resultant slip to FMR of 16 months to forecast date. Materiel Releases 5 and 6 have been delivered. Material Releases 7 and 8 are subject to COVID-19 related delay; delivery is now planned to commence December 2022.
2	Materiel Release (Release 1, Release 2, Release 3) milestones will be achieved when the units receiving the capability sign the unit acceptance certificate. This variance is dependent on unit availability to conduct the unit test activity.
3	The movement of schedule due to COVID-19 delay has resulted in a change to these dates. They will be updated in the next endorsed Materiel Acquisition Agreement
4	Integration between EDLAN and the I-BTN is no longer required. Army has endorsed the declaration of the DLAN Hardware Release milestone, as no further work will be undertaken due to the I-BTN system no longer being required to integrate with the EDLAN system.
5	The FOC date has changed due to extension of project schedule as a result COVID-19 Delay. The project has conducted workshops with the Capability Manager to assist in identifying a new FOC date. The Capability Manager has advised government of the revised FOC date of September 2023.
6	Dates will be established on review of risk reduction activity outcomes.

Schedule Status at 30 June 2022

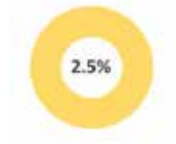


Note

This chart represents Defence's expected capability delivery. Capability assessments and forecast dates are excluded from the scope of the Auditor-General's Independent Assurance Report.

Section 4 – Materiel Capability/Scope Delivery Performance

4.1 Measures of Materiel Capability/Scope Delivery Performance

Traffic Light Diagram: Percentage Breakdown of Materiel Capability/Scope Delivery Performance	
	**Green:** The Project is currently meeting the majority of capability requirements as expressed in the Materiel Acquisition Agreement and supporting suite of Capability Definition Documentation.
	**Amber:** The Project is managing schedule risks associated with the Terrestrial Range Extension System (TRES) scope of work as expressed in the Materiel Acquisition Agreement and supporting suite of Capability Definition Documentation.
	**Red:** N/A

Note

This Traffic Light Diagram represents Defence's expected capability delivery. Capability assessments and forecast dates are excluded from the scope of the Auditor-General's Independent Assurance Report.

4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Initial Materiel Release (IMR) 1A	• Verification & validation, testing and certification completed • Initial Learning Management Packages Approved • Initial Support Contract is in place • Commonwealth acceptance of supplies for those units identified for Materiel Release 1 • Completion of AT for initial release IMR 1A was achieved in February 2018	Achieved
Initial Operational Capability (IOC)	• For Army - Delivery of four man portable formation nodes, four unit nodes, and three HCLOS with trained soldiers to enable planning, configuration and operation of Force and Formation level networks. • For Air Force - Delivery of four man portable formation nodes, two man portable unit nodes and one HCLOS with trained crew to enable planning, configuration and operation of a Formation level network. IOC was achieved in March 2018	Achieved
Final Materiel Release (FMR)	• Verification & validation, testing and Certification completed • All elements of the Mission System are delivered to units • All introduction into service training is completed and approved Learning Management Plans for sustainment training delivered to Army	Not yet achieved

	• Mature Support Contract in place including delivery of Data Transfer Equipment (DTE); • Delivery of Hand Held Satellite Terminal (HHST) FMR is currently forecast for achievement in January 2023.	
Final Operational Capability (FOC)	The provision, support and training of the I-BTN to all Army and Air Force in accordance with the Basis of Issue (BOI). Scope includes: • 1 Force Node Vehicle Mounted • 8 Formation Nodes Vehicle Mounted • 18 Formation Nodes Transit case • 16 Unit Nodes Vehicle Mounted • 21 Unit Nodes Transit Case • 23 Relay Nodes Transit Case • 3 Tactical Interface Stations • 18 Headquarters on the Move nodes. • TRES FOC is currently forecast for September 2023.	Not yet achieved

Section 5 – Major Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
There is a chance that COVID-19 may still impact project milestones within current schedule time frames.	• Travel permitted as required to achieve Engineering V&V activities in accordance with State and Federal Government pandemic control guidelines • Assessment of resources required to meet future milestones • Additional engineering support sought through Contractors or other Projects • JNT2072 Phase 2B Project Office (CASG) is working with Boeing Defence Australia to finalise acceptance activities (V&V) to expedite delivery into service.
Emergent Risks (risk not previously identified but has emerged during 2021-22)	
Description	**Remedial Action**
There is a chance that FOC and project closure will be impacted due to the lack of Integrated Logistic Support APS5 level practitioners since October 2021.	• Function performed on interim basis by contractor until suitable staff can be employed
There is a chance that the TRES capability may delay project Final Materiel Release (FMR)	• Boeing has proposed a tethered drone solution to meet Army's TRES requirements The Project has entered into a Risk Reduction activity via Survey and Quotation (S&Q) 21 into order to understanding the technical and schedule risks. Upon completion of the risk reduction activity, the Project will request a Contract Change Proposal (CCP) for the procurement of TRES.

5.2 Major Project Issues

Description	Remedial Action
There is a chance that the R2 IIS Equipment Delivery Schedule will not be met because BDA may be unable to meet or maintain their equipment production schedule, Unit/Flight unavailability and CoA and BDA delays in processing Contract delivery requirements due to COVID-19.	• Project Office early engagement with AHQ, AFHQ, FORCOMD and 1 Div to schedule IIS of R2 equipment delivery. • Equipment production schedule to be rigorously monitored. • To meet unit/flight availability, where applicable, create two IIS commissioning teams to work in parallel in order to achieve IIS delivery Schedule. This issue has been retired as there was no longer an impact to the project delivery schedule.
COVID-19 has impacted on completion of project tasks and milestones within current schedule time frames, the risk to the September 2023 FOC date is being monitored. There is a chance restrictions related to COVID-19 will impact on completion of project tasks and milestones within current schedule time frames, this resulting in an inability to meet the current FOC date.	• With the signature of CCP039 (COVID-19 Delay) the schedule has been extended by 4 months and Final Material Release (FMR) continues to be scheduled for January 2023, however, this date is unlikely to be achieved for all material. • The project has conducted workshops with the Capability Manager to assist in monitoring dynamic scheduling to enable individual training and OT&E activities. • The Capability Manager has advised the project that it has, via the Defence Bi-Annual Update, submitted a revised FOC date of September 2023 to Government.

	• Remediation through realignment of project schedule, dependencies and close engagement with interfacing projects. • Contingency funding has been applied to address this issue.
Project Engineering Team may be unable to exercise the expected level of engineering rigour for Verification and Validation (V&V) activities due to a lack of adequate engineering resources.	• Deviations and waivers for low risk V&V activities being granted where appropriate • Travel where permitted to achieve Engineering V&V activities in accordance with Defence, State and Federal guidelines. • Engagement with Directorate of Officer Career Management to encourage provision of appropriately qualified uniformed engineering personnel to replace those being posted out at the end of 2021. • Analysis of engineering resource requirements for the remainder of the project (occurring July 2021) and if required engagement of additional resources via the ISC or other Branch projects.
Contract milestones for R3 SMR (HQOTM) will not be met due to safety RODUM delaying Boeing Defence Australia's production and subsequent delay to training.	• Protected Mobility System Program Office (CASG) and Thales (HQOTM GFM supplier) to identify interim battery solution to enable Boeing Defence Australia's HQOTM production to resume.
Note	
Major risks and issues in Section 5 are excluded from the scope of the Auditor-General's Independent Assurance Report.	

Section 6 – Lessons Learned

6.1 Key Lessons Learned

Description	Categories of Systemic Lessons
Collaborative engagement by the Contractor, CASG and the Capability Manager has resulted in better outcomes for the delivered capability.	Requirements Management
Contracting for a performance based support contract at the same time as the acquisition contract results in better design decisions during the acquisition contract.	Contract Management
User engagement during the Mission System Integration Test Events (MSITE) has resulted in an improved capability by early user engagement during the design phase. This also leads to improving the management of user expectations.	Requirements Management

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2022

Position	Name
Division	Joint Systems Division
Branch	Land C4 Systems