

## **Part 4. JCPAA 2021–22 Major Projects Report Guidelines**





**Australian Government**  
**Department of Defence**



## 2021 –22 Major Projects Report Guidelines

Endorsed by the Joint Committee of Public Accounts and Audit

**2 November 2021**

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## Purpose

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**1.1** The objective of the Major Projects Report (MPR) is ‘to improve the accountability and transparency of Defence acquisitions for the benefit of Parliament and other stakeholders.’<sup>164</sup> In February 2012, the JCPAA identified this review as a ‘Priority Assurance Review’, under section 19A(5) of the *Auditor-General Act 1997*, allowing the ANAO full access to the information gathering powers under the *Auditor-General Act 1997*. Under section 24 of the *Auditor-General Act 1997*, the Auditor-General sets the relevant auditing standards that are to be complied with in this review.

**1.2** The purpose of the Guidelines is to set the criteria for Defence’s preparation of the Project Data Summary Sheets. Draft Guidelines are prepared annually by the ANAO, following consultation with Defence, before they are submitted for endorsement by the JCPAA.

**1.3** The terms of the review engagement are communicated to Defence through ANAO correspondence prepared in accordance with audit standards set by the Auditor-General.

## Introduction

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**1.4** The MPR is tabled in Parliament and is organised into a number of parts:

- Part 2 comprises Defence’s commentary, analysis and appendices, also referred to as the Defence MPR (not included within the scope of the *Independent Assurance Report* by the Auditor-General);
- Part 3 incorporates the *Independent Assurance Report* by the Auditor-General, the *Statement by the Secretary of Defence*, and the PDSSs prepared by Defence as part of the assurance review process; and
- Part 4 reproduces the *Major Projects Report Guidelines* endorsed by the JCPAA, which provide the criteria for the compilation of the PDSSs by Defence.

**1.5** The Committee notes that the Auditor-General may also choose to include ANAO review and analysis in the report. This has, in the past, been included in Part 1 of the MPR.

**1.6** The MPR will report on the performance of selected major Defence equipment acquisition projects (Major Projects) since Second Pass Approval<sup>165</sup>, and associated sustainment activities (where applicable), managed by Defence.<sup>166</sup> The summary project data is prepared by Defence and reviewed by the ANAO.

**1.7** The Major Projects included within the MPR are based on criteria endorsed by the Joint Committee of Public Accounts and Audit (JCPAA), and provided to the JCPAA by the ANAO.

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164 Joint Committee of Public Accounts and Audit, Parliament of the Commonwealth of Australia, Report 473: Defence Major Projects Report (2016–17), (2018), Executive Summary, p. 1.

165 Projects which are pre-Second Pass Approval but have spent more than \$500m will also be considered.

166 For the purposes of the MPR, a project is defined as the acquisition or upgrade of Specialist Military Equipment, which normally excludes facilities and other Fundamental Inputs to Capability.

**1.8** The 2021–22 MPR will report on 21 projects as endorsed by the JCPAA. The number of projects included in the MPR since its inception is shown in the following table.

**Table 1: Number of projects included in the MPR**

MPR	Number of projects	MPR	Number of projects
2007–08	9	2014–15	25
2008–09	15	2015–16	26
2009–10	22	2016–17	27
2010–11	28	2017–18	26
2011–12	29	2018–19	26
2012–13	29	2019–20	25 <sup>167</sup>
2013–14	30	2020–21	21

**1.9** Project data is presented by way of Project Data Summary Sheets (PDSSs), as at 30 June of the reporting year. The ANAO’s review is designed to enable the ANAO to obtain sufficient appropriate evidence for the Auditor-General to form a conclusion reported in the Auditor-General’s Independent Assurance Report.

**1.10** These Guidelines:

- (a) provide the criteria for project selection and the list of projects for inclusion in the 2021–22 MPR;
- (b) outline the roles and responsibilities of Defence in the production and quality assurance of Defence’s contribution to the 2021–22 MPR<sup>168</sup>;
- (c) provide requirements for the preparation of the PDSSs;
- (d) provide the PDSS template; and
- (e) provide an indicative program schedule in support of a November 2022 tabling.

**1.11** The MPR Guidelines are reviewed and amended to reflect lessons learned and the outcomes of JCPAA review, in order to improve the MPR processes and to ensure the report meets its objective. At the JCPAA’s request, the ANAO has taken administrative responsibility for updating the Guidelines annually and submitting them to the Committee for endorsement. These processes occur following consultation with Defence.

## Criteria for Project Selection

**1.12** The inclusion of projects in the MPR is generally based on the projects included in the Defence Integrated Investment Program and subject to the following criteria:

- (a) Projects only admitted one year after Second Pass Approval, or projects pre Second Pass Approval that have spent > \$500m<sup>169</sup>;
- (b) a total approved project budget of > \$300m;

<sup>167</sup> The 2019–20 MPR Guidelines, endorsed in September 2019, stated that 30 projects would be included. Five projects exited after the 2019–20 MPR Guidelines were endorsed.

<sup>168</sup> The ANAO’s roles and responsibilities are defined by the *Auditor-General Act 1997* (Cth) and relevant legislation, and are outlined for each engagement with the responsible parties.

<sup>169</sup> The Capability Life Cycle (CLC) has been redesigned following the First Principles Review, to deliver a risk-based decision-making and capability management process. Not all projects in the 2021–22 MPR will have been approved under the updated process, but will have had at least one Second Pass approval or key Government decision.

- (c) a project should have at least three years of asset delivery remaining;
- (d) a project must have at least \$50m or 10% (whichever is greater) of its budget remaining over the next two years; and
- (e) a maximum of five new projects in any one year.

**1.13** Projects selected for inclusion in the MPR may be proposed by Defence or the ANAO, based on the above criteria. The ANAO provides comments and advice to the JCPAA on the proposals by 31 August, for endorsement.

**1.14** The removal of projects from the MPR is generally based on declaration of Final Operational Capability (FOC), or on a pre-FOC risk assessment<sup>170</sup> of the timely declaration of FOC where a significant portion of the project's deliverables are complete, and subject to consideration of each of the following matters:

- (a) the outstanding deliverables pre-FOC, against the relevant Materiel Acquisition Agreement (MAA)<sup>171</sup> and/or the government approvals;
- (b) the remaining schedule to FOC<sup>172</sup>, against the relevant MAA and/or government approvals;
- (c) the remaining budget to FOC, against the relevant MAA and/or government approval;
- (d) the remaining project risks and issues;
- (e) Project of Interest or Project of Concern status<sup>173</sup>; and
- (f) the Capability Manager's assessment, including overall risk rating and the extent to which this risk rating relates to the Capability Acquisition and Sustainment Group's (CASG's) responsibilities.<sup>174</sup>

**1.15** Projects selected for removal from the MPR may be proposed by Defence or the ANAO, based on the above criteria. The ANAO provides comments and advice to the JCPAA on the proposals by 31 August, for endorsement.

**1.16** Projects that have met the exit criteria and been endorsed for removal by the JCPAA should be removed from the list of projects included in the MPR in the subsequent year. Expenditure and milestone information for these projects will be included within Part 2 of the MPR in the subsequent year.

**1.17** Projects that have been removed from the MPR that still have outstanding exceptions to the achievement of significant milestones declared by Defence (IMR,

<sup>170</sup> The pre-FOC risk assessment could be informed by Defence's Independent Assurance Review process.

<sup>171</sup> MAAs are intended to be phased out and gradually replaced by Product Delivery Agreements (PDAs). Projects in the 2021–22 MPR will have an approved MAA. A PDA is an agreement between the Program Sponsor and Lead Delivery Group which specifies the scope, resourcing, priorities and performance and preparedness requirements for support of a capability system throughout its life, to support performance measurement. Department of Defence, *Capability Life Cycle Manual*, June 2020, Annex A, Capability Life Cycle Definitions, p. A-7.

<sup>172</sup> In general, if a project is within 12 months of declaring FOC, it should be considered for exit, subject to the Capability Manager's risk assessment.

<sup>173</sup> Acquisition projects with issues and risks raised against schedule, cost, and/or capability performance that warrant heightened internal senior management attention become Projects of Interest. Entry to and exit from the Projects/Products of Concern list is decided by the Minister for Defence and the Minister for Defence Industry, either at the recommendation of the Deputy Secretary CASG and the relevant Capability Manager, or at the Ministers' own instigation. Department of Defence, *Capability Acquisition and Sustainment Quarterly Performance Report*, May 2020.

<sup>174</sup> The Capability Acquisition and Sustainment Group (CASG) purchases and maintains military equipment and supplies in the quantities and to the service levels that are required by Defence and approved by Government. Available from <<https://www1.defence.gov.au/about/capability-acquisition-sustainment-group>> [accessed 14 July 2021].

IOC, FMR and FOC) and/or significant remaining materiel capability to be delivered, are required to report on the status of these activities in the Statement by the Secretary of Defence until their final status is accepted by the Capability Manager.

## 2021–22 Project Selection

**1.18** The following table reflects projects included in the 2021–22 MPR program.<sup>175</sup> For each project that has been removed, the lessons learned at both the project level and the whole-of-organisation level should be included as a separate section in the following Defence MPR.

**Table 2: Projects for the 2021–22 MPR**

Project Number	Project Name	Defence Abbreviation
AIR 6000 Phase 2A/2B	New Air Combat Capability	Joint Strike Fighter
SEA 5000 Phase 1	Hunter Class Frigate Design and Construction	Hunter Class Frigate
SEA 1000 Phase 1B	Future Submarines Design Acquisition	Future Subs
LAND 400 Phase 2	Combat Reconnaissance Vehicles	Combat Reconnaissance Vehicles
AIR 9000 Phase 2/4/6	Multi-Role Helicopter	MRH90 Helicopters
SEA 1180 Phase 1	Offshore Patrol Vessel	Offshore Patrol Vessel
LAND 121 Phase 3B	Medium Heavy Capability, Field Vehicles, Modules and Trailers	Overlander Medium/Heavy
AIR 555 Phase 1	Airborne Intelligence, Surveillance, Reconnaissance and Electronic Warfare (ISREW) Capability	Peregrine <sup>1</sup>
AIR 7000 Phase 1B	MQ-4C Triton Remotely Piloted Aircraft System	MQ-4C Triton
LAND 121 Phase 4	Protected Mobility Vehicle – Light (PMV-L)	Hawkei
AIR 8000 Phase 2	Battlefield Airlift – Caribou Replacement	Battlefield Airlifter
LAND 19 Phase 7B	Short Range Ground Based Air Defence	SRGB Air Defence
AIR 2025 Phase 6	Jindalee Operational Radar Network	JORN Mid-Life Upgrade
SEA 1654 Phase 3	Maritime Operational Support Capability	Repl Replenishment Ships
AIR 5431 Phase 3	Civil Military Air Management System	CMATS
LAND 200 Tranche 2	Battlefield Command System	Battlefield Command System
JNT 2072 Phase 2B	Battlespace Communications System Phase 2B	Battle Comm. Sys. (Land) 2B
SEA 1439 Phase 5B2	Collins Class Communications and Electronic Warfare Improvement Program	Collins Comms and EW
SEA 3036 Phase 1	Pacific Patrol Boat Replacement	Pacific Patrol Boat Repl
SEA 1442 Phase 4	Maritime Communications Modernisation	Maritime Comms
SEA 1448 Phase 4B	ANZAC Air Search Radar Replacement	ANZAC Air Search Radar Repl

Note 1: AIR 555 Phase 1 Airborne Intelligence, Surveillance, Reconnaissance and Electronic Warfare (ISREW) Capability is included in the MPR Program for the first time in 2021–22.

<sup>175</sup> The JNT 2008 Phase 5A Indian Ocean Region UHF SATCOM project was removed from the MPR program based on the low risk nature of the remaining activities to FOC.



## Defence's Roles and Responsibilities

**1.19** Defence will provide each project's PDSS for the ANAO's review. The Secretary of the Department of Defence (Secretary) is responsible for ensuring that the PDSSs are prepared in accordance with these Guidelines, as endorsed by the JCPAA, and for ensuring that the PDSSs and supporting evidence provided to the ANAO for review are materially accurate and complete. The Secretary is also responsible for formally presenting the Defence chapters, *Statement by the Secretary of Defence* and the Project Data Summary Sheets in the MPR to the ANAO on completion of the PDSSs and associated commentary.

**1.20** Defence is responsible for ensuring information of a classified nature is made available to the ANAO for review, as it relates to the data contained within the PDSSs. Data of a classified nature must be prepared in such a way as to allow for unclassified publication. Defence will confirm to the ANAO the classification of information proposed to be published in the MPR. Defence will provide advice with regards to the aggregated security classification of information contained within the PDSS suite, and suitability for unclassified publication.

**1.21** Defence's positions, roles and responsibilities are outlined in the table below.

**Table 3: Defence's Positions, Roles and Responsibilities**

Position	Role	Responsibility
Secretary of Defence	Defence accountability	<ul style="list-style-type: none"> <li>Primary accountability for the completeness and accuracy of Defence's contributions to the MPR.</li> <li>Sign off on the <i>Statement by the Secretary of Defence</i>, including Significant Events Occurring Post 30 June 2022.</li> </ul>
Vice Chief of the Defence Force	Joint Force Authority	<ul style="list-style-type: none"> <li>Provision of advice with regards to the overall security classification of the aggregated information contained within the PDSS suite, and suitability for unclassified publication.</li> </ul>
Defence Deputy Secretary Capability Acquisition and Sustainment Group (CASG)	Business Process Owner	<ul style="list-style-type: none"> <li>Obtain cascading sign offs from Branch and Division Heads, on the data and content in the unclassified PDSS suite.</li> <li>Clearance of the PDSSs and Defence analysis, or delegation as appropriate.</li> </ul>
Chief Finance Officer Defence	Financial advice and assurance	<ul style="list-style-type: none"> <li>Responsibility for financial advice and information in the Defence contribution to the MPR.</li> <li>Coordination and provision of corporate budget information.</li> <li>Quality assurance of all financial data.</li> </ul>
First Assistant Secretary Audit and Fraud Control	Overall Relationship Management	<ul style="list-style-type: none"> <li>Provision of assistance/support when called upon by ANAO or CASG. This may include the provision of advice to, and facilitation of clearance by, the Secretary of Defence.</li> <li>Provision of advice on matters of an audit/assurance nature.</li> </ul>
First Assistant Secretary Integration	MPR management and accountability	<ul style="list-style-type: none"> <li>Advise to Deputy Secretary CASG and Secretary.</li> <li>Clearance of the unclassified PDSS suit and Defence MPR.</li> <li>Liaison with ANAO senior management.</li> </ul>
Director Program Approvals and Agreements	MPR coordination and liaison	<ul style="list-style-type: none"> <li>Liaison with the ANAO MPR Team and facilitate access to information required by the ANAO.</li> <li>Guidance and direction to project offices.</li> <li>Manage the MPR Program and schedule with the ANAO MPR team.</li> <li>Development, configuration management and quality assurance of the Defence MPR, PDSS suite and evidence packs to ensure completeness and accuracy.</li> </ul>

Project Directors/Managers	PDSS development and generation of evidence packs	<ul style="list-style-type: none"> <li>Develop the project's PDSS and associated evidence packs, including the mapping of evidence to disclosures within the PDSS, in compliance with the Guidelines.</li> <li>Actively engage the ANAO MPR team in its review of the project's PDSS.</li> </ul>
Capability Managers	PDSS confirmation	<ul style="list-style-type: none"> <li>Responsibility for confirming the project's status, particularly progress toward the Initial Materiel Release (IMR), Initial Operational Capability (IOC), FMR and FOC milestones.</li> <li>Confirmation that the information contained within the PDSSs is unclassified.</li> </ul> <p>Note: This confirmation is at the request of the ANAO, to obtain a confirmation of the information in the PDSSs.</p>

## MPR Process

**1.22** The JCPAA identified the MPR as a Priority Assurance Review in its Report 429, Review of the 2010–11 Defence Materiel Organisation Major Projects Report. Consequently, section 31 of the *Auditor-General Act 1997* provides the ANAO with full and free access powers in the conduct of the review.

**1.23** An indicative schedule for the MPR program has been established (refer to page 26). The schedule provides for a pre 30 June site visit period for the ANAO to conduct PDSS reviews of projects. Project data should be prepared for this period at the date selected for the ANAO's review, without anticipating outcomes for the post 30 June review. A second period will be set aside after the end of the financial year for reviewing completed PDSSs.

**1.24** Circumstances permitting, the ANAO will seek to arrange site visits. Defence will provide the ANAO with a Defence quality assured copy of the PDSS together with the relevant evidence pack (electronically). The evidence pack will be appropriately structured and mapped to the PDSS by the project for efficient review. Project teams are to ensure that each statement within the PDSS has an identified evidence source.

**1.25** In accordance with natural justice provisions, contractors named within a PDSS will be consulted before Defence finalises the PDSS. The aim of the consultation is to provide the contractor with an opportunity to comment on relevant extracts from a project's PDSS. Defence will request contractors to provide the ANAO with a copy of their comments (including nil returns) in relation to any errors or misstatements in the PDSS. Defence will consider contractors' comments received within specified and reasonable time limits. Defence will also keep the ANAO apprised on how Defence intends to deal with the contractor responses to the PDSS suite.

**1.26** The ANAO may also directly engage with contractors to seek any clarification on their comments on the project data, and will keep Defence apprised on feedback and outcomes.

## Other Items to Note

**1.27** As the PDSS is part of a public document, the following style conventions must be followed:

- (a) PDSSs should be kept to an optimum length of 10 pages, focus on key information, and updated based on the latest template included in this document (refer to page 21).
- (b) Where possible, acronyms and jargon are not to be used. When acronyms are used, the first use must be spelt out in full.

- (c) Project names should be written in full or with the approved Defence abbreviation, and should be presented with an initial capital, e.g. Joint Strike Fighter.
- (d) All costs should be shown as \$m (millions) and be rounded to one decimal place (i.e. to the nearest \$100,000), with negative amounts in brackets.
- (e) Dates in the PDSS narratives should be presented as Month 20yy, and dates in the PDSS tables should be presented as mmm yy (e.g. Jul 09). Time variations should be shown as full months.
- (f) Any cells in a table not containing data should be shown as 'N/A'.
- (g) Alignment of data within tables is to be positioned as per the template in this document (refer to page 21).

## Requirements for the Preparation of the Project Data Summary Sheets (PDSS)

Heading	Data	Information Required
<b>Project Header</b>	Project Number	The number of the project as approved by government. This should be depicted in bold text.
	Project Name	The name of the project as approved by government. This should be depicted in bold upper case text.
	First Year Reported in the MPR	The year the project was first reported in the MPR, in 20xx–xx date format.
	Capability Type	Either one or a combination of: <ul style="list-style-type: none"> <li>• New;</li> <li>• Replacement;</li> <li>• Upgrade.</li> </ul> An alternative descriptor where the above types are not applicable.
	Capability Manager	Either one or a combination of: <ul style="list-style-type: none"> <li>• Chief of Navy;</li> <li>• Chief of Army;</li> <li>• Chief of Air Force;</li> <li>• Chief of Joint Capability;</li> <li>• Vice Chief of the Defence Force;</li> <li>• Deputy Secretary Strategic Policy and Intelligence; and</li> <li>• Chief of Defence Intelligence.</li> </ul>
	Government 1st Pass Approval	The date Government First Pass Approval was given.
	Government 2nd Pass Approval/ key Government pre Second Pass Approval ( <i>specify one</i> )	The date Government Second Pass Approval was given (with multiple dates for multiple Government Second Pass Approvals). Where a project has entered the MPR but has not yet achieved Second Pass Approval, the date is a pre-Second Pass Approval date based on a key Government decision.

Heading	Data	Information Required
	Budget at 2nd Pass Approval	The approved project budget as at the most recent Government Second Pass Approval, excluding price indexation and exchange variation. This amount should equal the sub total of the project budget in Section 2.1 as at the most recent Second Pass Approval. Where a project has entered the MPR but has not yet achieved Second Pass Approval, the amount is a pre-Second Pass Approval budget based on a key Government decision.
	Total Approved Budget (Current)	The current approved project budget. This amount should equal the Total Budget in Section 2.1 Project Budget (out-turned) and Expenditure History.
	2021–22 Budget	The estimated project expenditure for 2021–22 as per the Estimate Final Plan at 30 June 2022. This amount should be equal to the Estimate Final Plan in Section 2.2A and Section 2.2B.
	Complexity	The Acquisition Categorisation (ACAT) level of the project.
	Project Image	Image of the project to be provided to the ANAO by the Defence MPR team in a separate file as a high resolution JPG.
<b>SECTION 1 – PROJECT SUMMARY</b>		
<b>Section 1.1 Project Description</b>	Description	A short description of the project, which summarises capability delivery and, where appropriate, equipment quantities. This information should be consistent with other sections of the PDSS.
<b>Section 1.2 Current Status</b>	Cost Performance	<u>In-year</u> The project's current progress, at a strategic level, against its in-year budget (specifying whether more or less was spent than budgeted), and a succinct explanation of causes for variations. This statement should agree to the In-year Budget/Expenditure Variance explanation in Section 2.2B. <u>Project Financial Assurance Statement</u> A statement of whether the budget remaining, together with the estimated future expenditure and current known risks, is sufficient for completing the project. If the budget is sufficient, the statement should be based on the following standard text: As at 30 June 2022, project [insert project number] has reviewed the project's approved scope and budget for those elements required to be delivered by Defence. Having reviewed the current financial contractual obligations of Defence for this project, current known risks and estimated future expenditure, Defence considers, as at the reporting date, there is

Heading	Data	Information Required
		<p>sufficient budget remaining for the project to complete against the agreed scope.</p> <p>If the budget is insufficient, the statement is to be modified accordingly and/or is to describe the project's unique circumstances (such as requiring the use of contingency, or to note cost risks disclosed in Section 5 – Major Risks and Issues of the PDSS). Where modified, a description of the actions the project is undertaking to address the insufficiency of the budget is to be included.</p> <p><u>Contingency Statement</u></p> <p>A statement of whether the project has/has not applied contingency funds this financial year. The amount of contingency expenditure is not required. Standard text:</p> <p>[positive case]: The project has applied contingency in the financial year primarily for the treatment of [a risk category<sup>176</sup>] risk or issue [and where possible include linkage to Section 5 – Major Risks and Issues and specified remediation activities]; or</p> <p>[negative case]: The project has not applied contingency in the financial year.</p> <p>This section must be consistent with the data in Section 2 – Financial Performance.</p>
	Schedule Performance	<p>A brief description, at a strategic level, of key schedule milestones achieved so far and issues facing the project in achieving future milestones. Milestone achievements or non-achievements in the current year and the variance in months are to be included.</p> <p>This section must be consistent with what is stated in Section 3 – Schedule Performance.</p>
	Materiel Capability/Scope Delivery Performance	<p>A brief update, at a strategic level, on the materiel capability delivered to date, and expected future delivery.</p> <p>Detailed technical performance of systems is to be avoided and classified information is not to be disclosed.</p> <p>This section must be consistent with what is stated in Section 4 – Materiel Capability/Scope Delivery Performance.</p>
<b>Section 1.3 Project Context</b>	Background	<p>A succinct summary level statement that covers Government approvals history and any strategic changes that have occurred since approval. For projects approved prior to the Smart Buyer Framework, if the projects' classification is not MOTS, an explanation must be included to ensure that these options were explicitly</p>

176 Refer to the Department of Defence, Defence Materiel Manual Project, DMM (PROJ) 11-0-002, *Project Risk Management Manual (PRMM) 2013*, July 2013, Annex G, for guidance. A replacement manual is in development.

Heading	Data	Information Required
		<p>considered and eliminated for particular reasons before final procurement decisions have been made.<sup>177</sup></p> <p>For projects approved under the Capability Life Cycle model a short description of Defence's "Smart Buyer" outcomes considered at Government approval is to be included. If a "Smart Buyer" risk assessment considered at Second Pass was not conducted, a brief description of the reasons why not is to be included.</p> <p>Any decisions resulting in transfers of scope into or out of the project are to be described. This information should be consistent with any transfers of budget presented in Section 2, capability presented in Section 4 and risks and issues presented in Section 5.</p> <p>For projects that have been announced as a Project of Concern by the Minister for Defence, the following information is to be included:</p> <ul style="list-style-type: none"> <li>• The date the project was announced as a PoC;</li> <li>• The reason for the project being placed on the POC list;</li> <li>• The remediation activities being undertaken; and</li> <li>• The date of removal from the list (if applicable).</li> </ul> <p>Note: Stop payments or liquidated damages should be referred to here or elsewhere in Section 1 (disclosure of amounts is not required).</p>
	Uniqueness	A brief explanation of the particular aspects that make the project unique.
	Major Risks and Issues	A succinct summary of the major risks and issues disclosed in Section 5 – Major Risks and Issues. Where the project has achieved a milestone with an exception, a brief description of the exception is to be included. Exceptions could include: caveats, deficiencies, limitations, restrictions or anything of a similar nature. This should be consistent with the description in Section 5.2.
	Other Current Related Projects/Phases	A list of the current approved projects (i.e. Second Pass has been achieved) relating to the same platform and/or with the same main project number (e.g. SEA xxxx), including the phase of the project, and a brief description of the capability (i.e. one or two short sentences).

<sup>177</sup> JCPAA, Report 429, *Review of the 2010–11 Defence Materiel Organisation Major Projects Report*, May 2012, p. 25.

Heading	Data	Information Required
<b>SECTION 2 – FINANCIAL PERFORMANCE</b>		
<b>Section 2.1 Project Budget (out-turned) and Expenditure History</b>	<b>Project Budget</b>	
	Original Approved	The first budget approved by Government. This could be through an Original, Interim, First or Second pass approval. In brackets, the Approval source is to be disclosed (e.g. Government First or Second Pass Approval).
	Real Variation	<p>All variations to be included are shown below, where they are applicable to the project with an explanation for each variation included within the Notes:</p> <p><b>“Subsequent Government Approvals”</b> are the addition of funds via any specific Government Approval after the Original Approved. If the approval is a Government First or Second Pass Approval, it is to be disclosed in bold text. The date of the variation is to be the date the funds were received in the FMIS, and not the date of the Government decision, if different.</p> <p><b>“Scope”</b> changes are attributable to changes in requirements by Defence and government. These generally take the form of changes in quantities of equipment, a change in requirements that result in specification changes in contracts, changes in logistics support requirements or changes to services to be provided which are accompanied by a corresponding budget adjustment.</p> <p><b>“Transfers”</b> occur when a portion of the budget and corresponding scope is transferred to or from another approved project or sustainment product in CASG or to another Group in Defence in order to more efficiently manage delivery of an element of project scope and to vest accountability for performance accordingly.</p> <p><b>“Budgetary Adjustments”</b> account for corrections resulting from foreign exchange or indexation accounting estimation errors. Also included under this heading are administrative decisions that result in variations such as efficiency dividends imposed on project budgets or adjustments made to fund Defence initiatives.</p> <p><b>“Real Cost Increases”</b> These funds have been approved by government to increase the Project’s budget (generally without a change in scope).</p> <p><b>“Real Cost Decreases”</b> These funds have been handed back to the Defence Portfolio.</p> <p>The elements above are added to form a subtotal for a single amount for all real variations (including Government Second Pass Approvals).</p>

Heading	Data	Information Required
	Total at Second Pass Approval/key Government pre-Second Pass Approval ( <i>specify one</i> )	A subtotal in the \$m column which sums each individual Government approval and real variation, until the most recent Second Pass Approval (or key Government pre-Second Pass Approval). This figure should match the Budget at 2nd Pass Approval (or key Government pre-Second Pass Approval) in the Header section.
	Price Indexation	Variations to the Original Approved project cost due to price indexation and out-turning adjustments, to take account of variations in labour and material indices over time. This is disclosed where applicable, i.e. not for projects approved post-July 2010 in out-turned prices.
	Exchange Variation	Variations to the Original Approved project cost due to foreign exchange adjustments brought about by changes in foreign exchange rates for payments in foreign currency.
	Total Budget	The sum of the above. This should reconcile with the FMIS as at 30 June. The Total Approved Budget in the Project Header should equal this figure.
	Notes	For additional information as required, e.g. explanation for the reason for each Real Variation.
<b>Project Expenditure</b>		
	Prior to Jul 20	This item comprises all amounts incurred in all <u>periods prior</u> to the current reporting period (i.e. expenditure up to 30 June 2021). All expenditure is to be presented in brackets to indicate a negative figure. Reporting of expenditure is to be split into the following: <b>“Contract Expenditure”</b> against each of the top 5 contracts as listed in Section 2.3 Details of Project Major Contracts, restricted to contracts valued at greater than or equal to \$10m. For large projects, it may be appropriate to include greater than the top 5 contracts. Contract expenditure should be listed from highest to lowest value. Contracts with nil value should not be disclosed. <b>“Other Contract Payments / Internal Expenses”</b> which comprises operating expenditure, contractors, consultants, other capital expenditure not attributable to the aforementioned contracts and minor contract expenditure. It is generally expected that ‘other’ expenditure will not exceed 10% of total prior period expenditure. However, in the event that ‘other’ expenditure exceeds this threshold, an additional explanation within the Notes section outlines the key aspects of the expenditure



Heading	Data	Information Required
		<p>including amounts to bring the amount of unexplained 'other' below 10%.</p> <p>The two expenditure elements above are added to give a subtotal that is a single amount for all prior period expenditure.</p>
	FY to Jun 21	<p>This item comprises all amounts incurred in the <u>current reporting period</u> (i.e. contract level expenditure from 1 July 2021 to 30 June 2022). All expenditure is to be presented in brackets to indicate a negative figure.</p> <p>Reporting of expenditure is to be split into the following:</p> <p><b>“Contract Expenditure”</b> against each of the top 5 contracts as listed in Section 2.3 Details of Project Major Contracts, restricted to contracts valued at greater than or equal to \$10m. For large projects it may be appropriate to include greater than the top 5 contracts. Contract expenditure should be listed from highest to lowest value. Contracts with nil value should not be disclosed.</p> <p><b>“Other Contract Payments / Internal Expenses”</b> which comprises operating expenditure, contractors, consultants, other capital expenditure not attributable to the aforementioned contracts and minor contract expenditure.</p> <p>It is generally expected that 'other' expenditure will not exceed 10% of total expenditure in the current reporting period. However, in the event that 'other' expenditure exceeds this threshold, an additional explanation within the Notes section outlines the key aspects of the expenditure including amounts to bring the amount of unexplained 'other' below 10%.</p> <p>The two expenditure elements above are added to give a subtotal that is a single amount for Financial Year (FY) expenditure.</p> <p>In addition, any stop payments or liquidated damages should be referred to in the Notes (disclosure of amounts is not required).</p>
	Total Expenditure	<p>This item discloses total project expenditure as at the reporting date (i.e. 30 June 2022) and is the sum of prior period and current period expenditure reported above. All expenditure is to be presented in brackets to indicate a negative figure.</p>
	Remaining Budget	<p>The subtraction of total expenditure from total budget, thus showing the unspent portion of the approved budget, as at 30 June.</p>
	Notes	<p>For additional information as required, e.g. the breakdown of 'Other Contract Payments/Internal Expenses'.</p>

Heading	Data	Information Required
<b>Section 2.2A In-year Budget Estimate Variance</b>	Estimate PBS \$m	The initial budget estimate for 2021–22, as published in the PBS.
	Estimate PAES \$m	The mid-year revised budget estimate for 2021–22, as published in the PAES. The variance, as an amount and percentage, should be calculated between the Estimate PAES and Estimate PBS.
	Estimate Final Plan \$m	The final revised budget estimate for 2021–22. The variance, as an amount and percentage, should be calculated between the Estimate Final Plan and Estimate PAES. This amount should be equal to the 2021–22 Budget figure in the Project Header and the Estimate Final Plan in Section 2.2B In-year Budget/Expenditure Variance.
	Total Variance	Budget estimate variances, and corresponding variance percentages, are to be disaggregated and disclosed separately. The variance, as an amount and percentage, should be calculated between the Estimate Final Plan and Estimate PBS.
	Explanation of Material Movements	The explanations for the material variance/s noted above, as published in appropriate supporting documentation, e.g. the PAES.
<b>Section 2.2B In-year Budget/Expenditure Variance</b>	Estimate Final Plan \$m	The estimated project expenditure for 2021–22. The data presents the project's 'Year to Date' performance in financial terms. It must explain the difference between the 'Latest Plan' in the MRM Majors Budget Performance Total report and/or the FMIS and the End of Financial Year Actual Expenditure. This amount should be equal to the 2021–22 Budget figure in the Project Header and the Estimate Final Plan in Section 2.2A In-year Budget Estimate Variance.
	Actual \$m	The actual project expenditure incurred in the current reporting period (i.e. 2021–22). This amount should be equal to the FY to Jun 22 Total Expenditure in Section 2.1 Project Budget (out-turned) and Expenditure History.
	Variance \$m	Budget expenditure variances are to be disaggregated and disclosed separately as per the variance factors described below. The sum of these should give a total variance equal to the difference between the Estimate and Actual expenditure. The variance percentage should also be calculated between the Estimate and Actual expenditure.
	Variance Factor	This section provides a range of factors attributable to the cause of the variances between the Budget Estimate and Actual

Heading	Data	Information Required
		<p>expenditure. These are expressed as the standard variance factors of:</p> <ul style="list-style-type: none"> <li>• Australian Industry;</li> <li>• Foreign Industry;</li> <li>• Early Processes;</li> <li>• Defence Processes;</li> <li>• Foreign Government Negotiations/Payments;</li> <li>• Cost Saving;</li> <li>• Effort in Support of Operations; and</li> </ul> <p>Additional Government Approvals.</p>
	Explanation	<p>Explanations must address all of the variance factors noted above, where relevant.</p> <p>Material changes following the publication of the PAES may require an explanation.</p> <p>This explanation should be equal to the In-year Cost Performance statement in Section 1.2.</p>
<b>Section 2.3 Details of Project Major Contracts</b>	Contractor <sup>178</sup>	<p>List the contractors for the top 5 contracts valued at greater than or equal to \$10m. For large projects it may be appropriate to include more than the top 5 contracts. Contractors should be listed in order of signature date (earliest to most recent).</p> <p>The top five contracts listed should be the same as the contracts listed in Section 2.1 Project Budget (out-turned) and Expenditure History.</p>
	Signature Date	The date the contract was signed.
	Price at Signature \$m and 30 Jun 22 \$m	<p><u>Signature \$m</u> The value of the contract at signature.</p> <p><u>30 Jun 2022 \$m</u> The value of the contract at 30 June 2022 (i.e. value spent as per Section 2.1 Project Budget (outturned) and Expenditure History plus remaining commitment as at the spot exchange rates as recorded in the FMIS at 30 June 2022). All values are exclusive of GST.</p>
	Type (Price Basis)	<p>Choices for this include:</p> <ul style="list-style-type: none"> <li>• Firm (or Fixed);</li> <li>• Variable;</li> <li>• Cost Ceiling (capped); or</li> <li>• Reimbursement (for FMS).</li> </ul> <p>Further information including templates is in the ASDEFCON Suite of Tendering and Contracting Templates on the Defence intranet.</p>
	Form of contract	<p>Choices for this include:</p> <ul style="list-style-type: none"> <li>• Standard Defence Contract (for ASDEFCON);</li> <li>• FMS (for Foreign Military Sales); and</li> <li>• MoU (for Memorandum of Understanding).</li> </ul>

178 The definition of 'contractor' in Section 2.3 Details of Major Project Contracts, includes contractors from direct commercial sales, and also foreign government arrangements such as Memoranda of Understanding, FMS or Cooperative Programs.

Heading	Data	Information Required
		Note: For unique arrangements such as Alliance or Public Private Partnership that would need to be specially treated (noting the key signatories to the arrangement), projects should seek the advice of the Defence MPR team.
	Notes	For additional information as required, e.g. description of new contract or explanation of significant changes in contract value from the prior year.
	Contractor	The contractors for the top 5 contracts. For large projects it may be appropriate to include more than the top 5 contracts. Contractors should be listed in order of signature date (earliest to most recent), i.e. same order as above.
	Contracted Quantities as at Signature and 30 Jun 22	The quantity of major equipment under contract as at the date the contract was signed and also as at 30 June 2022. The quantity of contracted equipment should only be provided at a summary level.
	Scope	A brief description of the scope of the contract deliverables. Generally only hardware is included in this section at a platform level summary, disclosing only major prime mission and support system elements, e.g. 'Upgraded Collins Class Submarines'.
	Notes	For additional information as required.
	Major equipment accepted and quantities to 30 Jun 22	Detail the major equipment and quantities the project has accepted to 30 June 2022.
	Notes	For additional information as required.
<b>SECTION 3 – SCHEDULE PERFORMANCE</b>		
<b>Section 3.1 Design Review Progress</b>	Review	Events in the categories shown below as they are applicable to the project: <ul style="list-style-type: none"> <li>• System Requirements;</li> <li>• Preliminary Design; and</li> <li>• Critical Design.</li> </ul> If some or all of the above events are not applicable, other or alternative reviews, for instance, unique arrangements or redesigns, should be included.
	Major System/ Platform Variant	The major system that the design review refers to, including significant variants for the major systems
	Original Planned	The originally planned achievement dates for the events per the contract at execution.
	Current Contracted	Replanned dates as evidenced by a contract amendment.

Heading	Data	Information Required
	Achieved/Forecast	<u>Achieved</u> : The date the event was achieved as supported by evidence, or <u>Forecast</u> : The expected date for achievement supported by the project schedule (e.g. as recorded in Open Plan Professional (OPP)).
	Variance (Months)	The difference between 'Original Planned' and 'Achieved/Forecast'.
	Notes	A top level description of the reasons for the variance to Achieved/Forecast dates, and any additional background information as required.
<b>Section 3.2 Contractor Test and Evaluation Progress</b>	Test and Evaluation	Events in the categories shown below as they are applicable to the project: <ul style="list-style-type: none"> <li>• System Integration; and</li> <li>• Acceptance.</li> </ul> If some or all of the above events are not applicable, other or alternative test and evaluation activities, for instance, unique arrangements or activities associated with redesign, should be included.
	Major System/ Platform Variant	The major system that the Test and Evaluation event refers to. If there are significant variants for the major systems, then they are to be stated.
	Original Planned	The originally planned achievement dates for the events per the contract at execution.
	Current Contracted	The revised planned achievement dates as evidenced by a contract amendment.
	Achieved/Forecast	<u>Achieved</u> : The date the event was achieved as supported by evidence; or <u>Forecast</u> : The expected date for achievement supported by the project schedule (e.g. as recorded in OPP).
	Variance (Months)	The difference between 'Original Planned' and 'Achieved/Forecast'.
	Notes	A top level description of the reasons for the variance to Achieved/Forecast dates, and any additional background information as required.
<b>Section 3.3 Progress Toward Materiel Release and Operational Capability Milestones</b>	Item	Represented at a whole of capability level, unless key milestones are broken out under individual Mission or Support Systems.
	Original Planned	The original date on which the Materiel Release or Operational Capability milestone was scheduled for achievement.
	Achieved/Forecast	<u>Achieved</u> : The date the event was achieved as supported by evidence; or <u>Forecast</u> : The expected date for achievement supported by the project schedule (e.g. as recorded in OPP).
	Variance (Months)	The difference between 'Original Planned' and 'Achieved/Forecast'.

Heading	Data	Information Required
	Notes	<p>A top level description of the reasons for and implications of the variance to 'Achieved/Forecast' dates.</p> <p>Where the project has achieved a milestone with exceptions, a brief description of the exceptions is to be included. Exceptions could include: caveats, deficiencies, limitations, restrictions or anything of a similar nature. This should be consistent with the description in section 5.2.</p>
<b>Schedule Status at 30 June 2022</b>	Graph	<p>A visual representation of: Second Pass Approval, Initial Materiel Release (IMR), Initial Operational Capability, Final Materiel Release (FMR) and Final Operational Capability dates, both Original Planned and Achieved/Forecast. Note: graphs are prepared by the Defence MPR team.</p>
<b>SECTION 4 – MATERIEL CAPABILITY / SCOPE DELIVERY PERFORMANCE</b>		
<b>Section 4.1 Measures of Materiel Capability/Scope Delivery Performance</b>	<p>Traffic Light Diagram: Percentage Breakdown of Materiel Capability Delivery Performance</p>	<p>This section presents a forecast of the materiel capability to be delivered by the acquisition project by FOC. Materiel capability is assessed as:</p> <ul style="list-style-type: none"> <li>• Green – a high level of confidence that the capability outcome will be met;</li> <li>• Amber – the capability outcome being under threat but still considered manageable and able to be met; or</li> <li>• Red – at this stage, the capability outcome is unlikely to be fully met.</li> </ul> <p>The Traffic Light Diagram and associated narratives will provide a percentage breakdown of the Materiel Release Milestones and Completion Criteria for the project, as identified in the MAA and/or government approval, at 30 June 2022.</p> <p>Where materiel deliverable/s is assessed as Amber or Red, the analysis/narrative should describe what deliverable/s is under threat or unlikely to be met and what action is being taken to address this. Where there is no data insert 'N/A'.</p> <p>“Where a project’s materiel capability/scope is amended, the change should be disclosed as Red if the change represents a reduction (including transfers to other Defence projects or capabilities) in materiel capability/scope, or as a Blue traffic light if the change represents an increase (including transfers from other Defence projects or capabilities) of materiel capability/scope. PDSSs in subsequent years will then record the current state as it relates to the revised materiel capability/scope. A narrative should also be included to explain the reason for the amendment.”</p>

Heading	Data	Information Required
		<p>Detailed technical performance of systems is to be avoided, and classified information is not to be disclosed.</p> <p>Where the project has not yet achieved IMR, the statement against the Green traffic light should be written in future tense, i.e. <i>“The project expects to meet capability requirements as expressed in the Materiel Acquisition Agreement...”</i>, as opposed to <i>“The project is currently meeting...”</i>.</p> <p>Note: The analysis and narrative disclosures should align with information in the MRM. Defence may need to provide alternative evidence to support disclosures which are not able to be supported by MRM.</p>
<b>Section 4.2 Constitution of Materiel Release and Operational Capability Milestones</b>	Item	Represented at a whole of capability level, i.e. IMR, IOC, FMR and FOC.
	Explanation	<p>A description of the materiel release and operational capability elements as stipulated in the MAA, at 30 June 2022, including an indication of whether or not these milestones have been achieved.</p> <p>If the milestone has not been met, include a statement to indicate when the milestone is expected to be achieved.</p> <p>The milestones to be included are shown below as they are applicable to the project:</p> <ul style="list-style-type: none"> <li>• Initial Materiel Release;</li> <li>• Initial Operational Capability;</li> <li>• Final Materiel Release; and</li> <li>• Final Operational Capability.</li> </ul> <p>If some or all of the above events are not applicable, other or alternative milestones, for instance operational release milestones, should be included.</p> <p>Note: Where the project has achieved a milestone with caveats, a brief description of the caveats should be added. This should be consistent with the description in Section 5.2.</p>
	Achievement	Standard text, i.e. Achieved; Not yet achieved; or Achieved with caveats.
<b>SECTION 5 – MAJOR RISKS AND ISSUES</b>		
<b>Section 5.1 Major Project Risks</b>	Identified Risks (risks identified by standard project risk management processes)	<p><u>Description:</u> A major project risk is one that is rated high or extreme pre-mitigation in accordance with Defence’s risk management framework.</p> <p><u>Remedial Action:</u> The risk mitigation/treatment proposed for the risk identified (these must be actionable measures).</p> <p><u>Note 1:</u> If the risk has been retired or the pre-mitigation rating has been downgraded to medium, this should be documented along with</p>

Heading	Data	Information Required
		<p>the reason; the risk can then be removed in the subsequent MPR.</p> <p><u>Note 2:</u> All high and extreme risks require disclosure. The disclosures may be aggregated to include multiple risks against one common description. In addition, a mapping of all risks from project risk logs to the PDSS is required.</p> <p><u>Note 3:</u> Where contingency has been applied to treat a risk the wording should be consistent with Section 1.2 Current Status - Cost Performance - Contingency Statement.</p>
	Emergent Risks (risks not previously identified but have emerged during 2021–22)	<p><u>Description:</u> A major project risk that was not previously identified in the risk log but has emerged this year, rated as high or extreme pre-mitigation. This includes project risks previously rated medium or low pre-mitigation.</p> <p><u>Remedial Action:</u> The risk mitigation/treatment proposed for the risk identified (these must be actionable measures). The risk becomes an Identified Risk in the subsequent MPR.</p> <p><u>Note 1:</u> All high and extreme emergent risks require disclosure. The disclosures may be aggregated to include multiple risks against one common description. In addition, a mapping of all emergent risks from project risk logs to the PDSS is required.</p> <p><u>Note 2:</u> Where contingency has been applied to treat a risk the wording should be consistent with Section 1.2 Current Status - Cost Performance - Contingency Statement.</p>
<b>Section 5.2 Major Project Issues</b>	Description	<p>Issues are high or extreme risks that have been realised or issues that have arisen that require management action to address.</p> <p><u>Note 1:</u> All high and extreme issues require disclosure. In addition, a mapping of all issues from project issues logs to the PDSS is required.</p> <p><u>Note 2:</u> Where the project has achieved a milestone with exceptions, these should be disclosed as separate issues. On the removal of the exception, it should also be clear to the reader whether the underlying shortfall/issue has been resolved.</p> <p>(See also Section 1.3 Major Risks and Issues, Section 3.3, and Section 4.2).</p> <p><u>Note 3:</u> Where contingency has been applied to treat an issue the wording should be consistent with Section 1.2 Current Status - Cost Performance - Contingency Statement.</p>
	Remedial Action	<p>The remediation action proposed for the issue identified. If the issue has been resolved or downgraded to medium, this should be documented along with the reason; the issue can then be removed in the subsequent MPR.</p>



Heading	Data	Information Required
<b>SECTION 6 – LESSONS LEARNED</b>		
<b>Section 6.1 Key Lessons Learned</b>	Description	Describe the project lesson (at the strategic level) that has been learned.
	Categories of Systemic Lessons	Select from the following 'Systemic Lessons' <sup>179</sup> categories where they are applicable to the project: <ul style="list-style-type: none"> <li>• Requirements Management;</li> <li>• First of Type Equipment;</li> <li>• Off-The-Shelf Equipment;</li> <li>• Contract Management;</li> <li>• Schedule Management;</li> <li>• Resourcing; and/or</li> <li>• Governance.</li> </ul>
<b>SECTION 7 – PROJECT STRUCTURE</b>		
<b>Section 7.1 Project Structure as at 30 June 2022</b>	Unit and name of the relevant organisational structure within CASG	The name of the CASG Division and Branch that the project sat in at 30 June 2022.

179 ANAO Report No.13 2009–10, 2008–09 *Major Projects Report*, November 2009, Part 3, paragraph 3.25, p. 122.

## Project Data Summary Sheet Template<sup>180</sup>

Project Number	XXX XXX	Project Image.
Project Name	XXX XXX	
First Year Reported in the MPR	20XX–XX	
Capability Type	XXX	
Capability Manager	XXX	
Government 1st Pass Approval	XXX	
Government 2nd Pass Approval/ or key Government pre-Second Pass Approval ( <i>specify one</i> )	XXX	
Budget at 2nd Pass Approval/or key Government pre-Second Pass Approval ( <i>specify one</i> )	\$XXX.Xm	
Total Approved Budget (Current)	\$XXX.Xm	
2021–22 Budget	\$XXX.Xm	
Complexity	ACAT XXX	

### Section 1 – Project Summary

#### 1.1 Project Description


#### 1.2 Current Status

<p><b>Cost Performance</b></p> <p><u>In-year</u></p> <p><u>Project Financial Assurance Statement</u></p> <p><u>Contingency Statement</u></p>
<p><b>Schedule Performance</b></p>
<p><b>Materiel Capability/Scope Delivery Performance</b></p>
<p><b>Note</b></p>
<p>Forecast dates and capability assessments are excluded from the scope of the Auditor-General's Independent Assurance Report.</p>

#### 1.3 Project Context

<p><b>Background</b></p>

#### 180 Notice to reader

Forecast dates and Sections: 1.2 (Materiel Capability/Scope Delivery Performance), 1.3 (Major Risks and Issues), 4.1 (Measures of Materiel Capability/Scope 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 Assurance Report* by the Auditor-General in **Part 3** of this report.

<b>Uniqueness</b>
<b>Major Risks and Issues</b>
<b>Other Current Related Projects/Phases</b>
<b>Note</b>
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
	<b>Project Budget</b>		
	Original Approved (Government First/Interim/Second Pass Approval)	XXX.X	X
	Real Variation – Scope	XXX.X	
	Real Variation – Transfer	XXX.X	
	<b>Total at Second Pass Approval</b> /or key Government pre-Second Pass Approval ( <i>specify one</i> )	<b>XXX.X</b>	
	Real Variation – Budgetary Adjustment	XXX.X	
	Real Variation – Real Cost Increase / Decrease	XXX.X	
		XXX.X	
Jul 10	Price Indexation*	XXX.X	
Jun 22	Exchange Variation	XXX.X	
Jun 22	<b>Total Budget</b>	<b>XXX.X</b>	
	<b>Project Expenditure</b>		
Prior to Jul 21	Contract Expenditure – Contractor 1	XXX.X	X
	Contract Expenditure – Contractor 2	XXX.X	
	Contract Expenditure – Contractor 3	XXX.X	
	Contract Expenditure – Contractor 4	XXX.X	
	Contract Expenditure – Contractor 5	XXX.X	
	Other Contract Payments / Internal Expenses	XXX.X	
		XXX.X	
FY to Jun 22	Contract Expenditure – Contractor 1	XXX.X	
	Contract Expenditure – Contractor 2	XXX.X	
	Contract Expenditure – Contractor 3	XXX.X	
	Contract Expenditure – Contractor 4	XXX.X	
	Contract Expenditure – Contractor 5	XXX.X	
	Other Contract Payments / Internal Expenses	XXX.X	
		XXX.X	
Jun 22	<b>Total Expenditure</b>	<b>XXX.X</b>	

Jun 22	Remaining Budget	XXX.X	X
Notes			
1	XXX		
2	XXX		
3	XXX		
4	XXX		

\*Note – Those projects approved in 'out- turned' dollars will not contain an entry for 'Price Indexation'. In these instances this line can be removed.

#### 2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
	XXX.X	XXX.X	
Variance \$m	XXX.X	XXX.X	Total Variance (\$m): XXX
Variance %	XXX.X	XXX.X	Total Variance (%): XXX

#### 2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
		XXX.X	Australian Industry	
		XXX.X	Foreign Industry	
		XXX.X	Early Processes	
		XXX.X	Defence Processes	
		XXX.X	Foreign Government Negotiations/Payments	
		XXX.X	Cost Saving	
		XXX.X	Effort in Support of Operations	
		XXX.X	Additional Government Approvals	
XXX.X	XXX.X	XXX.X	<b>Total Variance</b>	
		XXX.X	<b>% Variance</b>	

#### 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			
Contractor 1	XXX	XXX.X	XXX.X	XXX	XXX	X
Contractor 2	XXX	XXX.X	XXX.X	XXX	XXX	X
Contractor 3	XXX	XXX.X	XXX.X	XXX	XXX	X
Contractor 4	XXX	XXX.X	XXX.X	XXX	XXX	X
Contractor 5	XXX	XXX.X	XXX.X	XXX	XXX	X
Notes						
1	XXX					
Contractor	Contracted Quantities as at		Scope	Notes		
	Signature	30 Jun 22				
Contractor 1	XXX	XXX	XXX	X		
Contractor 2	XXX	XXX	XXX	X		
Contractor 3	XXX	XXX	XXX	X		
Contractor 4	XXX	XXX	XXX	X		

Contractor 5	XXX	XXX	XXX	X
Major equipment accepted and quantities to 30 Jun 22				
XXX				
Notes				
1	XXX			

### Section 3 – Schedule Performance

#### 3.1 Design Review Progress

Review	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/Forecast	Variance (Months)	Notes
System Requirements	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
Preliminary Design	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
Critical Design	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
Notes						
1	XXX					
2						
3						
4						

#### 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	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
Acceptance	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
	XXX	XXX	XXX	XXX	XXX	X
Notes						
1	XXX					
2						
3						
4						

#### 3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	XXX	XXX	XXX	X
Initial Operational Capability (IOC)	XXX	XXX	XXX	X
Final Materiel Release (FMR)	XXX	XXX	XXX	X
Final Operational Capability (FOC)	XXX	XXX	XXX	X
Notes				
1	XXX			

2	
3	
4	
Schedule Status at 30 June 2022	
<b>Defence MPR Team to insert graph</b>	

<b>Note</b>
Forecast dates in Section 3 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	
<b>Defence MPR Team to insert Traffic Light Diagram</b>	<b>Green:</b> XXX
	<b>Amber:</b> XXX
	<b>Red:</b> XXX
<b>Note</b>	
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)	XXX	XXX
Initial Operational Capability (IOC)	XXX	XXX
Final Materiel Release (FMR)	XXX	XXX
Final Operational Capability (FOC)	XXX	XXX

## Section 5 – Major Risks and Issues

### 5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
XXX	XXX
XXX	XXX
XXX	XXX
XXX	XXX
Emergent Risks (risk not previously identified but has emerged during 2021–22)	
Description	Remedial Action
XXX	XXX
XXX	XXX
XXX	XXX
XXX	XXX

### 5.2 Major Project Issues

Description	Remedial Action
XXX	XXX
XXX	XXX
XXX	XXX
XXX	XXX

<b>Note</b>
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
XXX	XXX
XXX	XXX
XXX	XXX
XXX	XXX

## Section 7 – Project Structure

### 7.1 Project Structure as at 30 June 2022

Unit	Name
Division	XXX
Branch	XXX

## Indicative 2021–22 MPR Program Schedule

Event	Start Date	End Date
Planning for the 2021–22 MPR (including review of outcomes of the 2019–20 program)	Dec 21	Jan 22
Defence and ANAO finalise preparations for the 2021–22 MPR program in time for the JCPAA Hearing	Jan 22	Mar 22
ANAO provide the Engagement Letter and Review Strategy to the Secretary of Defence <sup>181</sup>	Feb 22	Jun 22
Defence MPR provide program advice to the project offices	Feb 22	Feb 22
Defence MPR management finalise preparation with the project offices	Feb 22	Feb 22
Project site visits conducted by the ANAO	Mar 22	Jun 22
End Of Financial Year advice to project offices	Jul 22	Jul 22
Post 30 June PDSS reviews	Jul 22	Sep 22
ANAO submits 2022–23 MPR Guidelines and Project Selection to the JCPAA	Aug 22	Aug 22
Development of the Defence 2021–22 MPR	Aug 22	Oct 22
ANAO develops its Assurance, Review and Analysis for provision to the Secretary	Aug 22	Oct 22
Defence provides advice to the ANAO regarding the security classification of the aggregated PDSS suite	Oct 22	Oct 22
Secretary submits formal draft Defence section of the 2021–22 MPR to the Auditor-General	Oct 22	Oct 22
Defence response to the ANAO Assurance, Review and Analysis for provision to the Auditor-General	Oct 22	Oct 22
ANAO response to the Defence 2021–22 MPR to Defence	Oct 22	Oct 22
ANAO internal clearance of the 2021–22 MPR (Publication and Tabling)	Nov 2022	

<sup>181</sup> Timing may depend on the JCPAA hearing to ensure key priorities of the JCPAA are considered.