Project Data Summary Sheet[1]

Project Number	**LAND200 Tranche 2**
Project Name	**BATTLEFIELD COMMAND SYSTEM**
First Year Reported in the MPR	2019–20
Capability Type	Upgrade
Capability Manager	Chief of Army
Government 1st Pass Approval	Aug 13
Government 2nd Pass Approval	Sep 17
Budget at 2nd Pass Approval	$930.0m
Total Approved Budget (Current)	$971.4m
2022–23 Budget	$168.0m
Complexity	ACAT I

Section 1 – Project Summary

1.1 Project Description

LAND200 was intended to deliver a Battlefield Command System (BCS) capability that provides Army with a Battle Management System (BMS) and an integrated Tactical Communications Network (TCN) that is transforming command and control of Land Forces into a modern networked system. The BCS would provide fast, accurate, secure and reliable digital communications that would enable tactical Land Forces to make better informed decisions, by distributing the right information to the right people at the right time, increasing the likelihood of operational success and soldier safety via friendly force tracking.

LAND200 Tranche 2 (LAND200-2) was contracted to expand and evolve the LAND200 Tranche 1 (LAND200-1) capability across Army with new collaborative planning, control and monitoring tools for Brigade and Divisional-level headquarters. Integrating the BCS into an additional 540 platforms including; M1A1 Tank, M88 Armoured Recovery Vehicle Hawkei, Bushmaster and Medium Heavy Cargo trucks. The Program was scoped to embed BCS training into Army's training institutions, to evolve from paper based to a digital based learning capability.

The Commonwealth is the LAND200-2 Program's Prime System Integrator (PSI), previously supported by two prime contractors; Elbit Systems of Australia – contractor for the BMS and L3Harris Technologies – contractor for the TCN.

1.2 Current Status

Cost Performance

In-year

For Financial Year (FY) 2022-23, the project spent $102.1m against a planned budget of $168.0m, resulting in a variance of $65.8m. The variation has two sources; The first relates to a reduction in scope of the BMS Acquisition Contract and the scheduled expiry of the BMS Sustainment Contract.

The second source to the in-year variance stems from L3Harris Technologies not achieving Acceptance Test & Evaluation (AT&E) milestones as contracted. The Commonwealth has enacted Stop Payments as a result and therefore fewer payments were processed this FY, which significantly contributed to the in-year variance.

Project Financial Assurance Statement

As at 30 June 2023, project LAND200-2 has reviewed the approved scope and budget for elements required to be delivered by Defence. Having reviewed the current financial contractual obligations of Defence, current known risks and estimated future expenditure for this project Defence considers, as at the reporting date, there is sufficient budget, including contingency, remaining for the project to complete against the agreed scope. Although the Elbit Systems of Australia scope component of the project has been reduced by agreement between the Commonwealth and Elbit Systems of Australia the project is still in negotiation to resolve open issues with L3Harris Technologies, the impact of these amendments to the project budget, scope and schedule is yet to be determined.

Contingency Statement

The project has not applied contingency in the FY 2022-23.

Schedule Performance

LAND200-2 had established contracts with Elbit Systems of Australia for delivery of the BMS and has a current contract with L3Harris Technologies for delivery of the TCN. Having played a critical role in digitising Army, Elbit Systems of Australia has completed the integration and installation of Tranche 1 components onto the Medium Heavy Cargo trucks and has delivered BMS training systems and other artefacts including Release 1 (R1) of current configuration of the BMS software.

In June 2021, Elbit Systems of Australia advised that completion of the BMS Contract's Final Acceptance milestone would occur no earlier than February 2024. Subsequently Elbit Systems of Australia and the Commonwealth have agreed to reduce the scope of Land 200-2, so as to exclude the scope that was undeliverable for reasons of schedule, Government Furnished Equipment

Notice to reader

1. 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.

(GFE) availability and continued Commonwealth priority.

For the TCN, L3Harris Technologies has completed Preliminary Design and Detailed Design, however a Stop Payment was invoked with L3Harris Technologies in April 2022, due to an inability to achieve System Acceptance. This Stop Payment has been in force for all of FY 2022-23. Associated with the Stop Payment was a requirement for L3Harris Technologies to produce acceptable remediation plans for the TCN to agree the way forward for the project. When these plans were submitted they were not deemed acceptable to the Commonwealth.

This failure in negotiating a way forward, led the Commonwealth to issue L3Harris Technologies a Default Notice in March 2023 for not achieving Milestones 13b and 13c of the Contract. These Milestones were for successful conduct of Test Readiness. L3Harris Technologies, while disputing the Default Notice, have continued to maintain relationships with the Commonwealth and are working to address the matters at the highest level. The continuing negotiations between the Commonwealth and L3Harris Technologies will shape the way forward for the delivery of the contracted commitments.

Materiel Capability/Scope Delivery Performance

LAND200-2 has delivered:

- 150 Medium Heavy Cargo trucks fitted with the Tranche 1 BCS node, Foundation Training Classroom requirements, and new and retrofitted BMS Training Assemblages, BMS – Command and Control (BMS-C2) Software Release 0 and BMS-C2 Software R1.

LAND200-2 is contracted to deliver a further:

- 390 vehicle BCS node integrations and installations with the M1A1 Tank, M88 Armored Recovery Vehicle, Protected Mobility Vehicle-Medium (PMV-M) Bushmaster and the Protected Mobility Vehicle-Light (PMV-L) Hawkei platforms.

Defence and Elbit Systems of Australia discussions, in connection with the remaining scope under the BMS contract have concluded. Having delivered important and diverse capability over four years the parties have reached an agreement to reduce the scope of the contract. The reduced scope required Elbit Systems of Australia to deliver the Release 1.1 (R1.1) software as it existed in June 2022, with the remaining scope removed. The Elbit Systems of Australia agreement had no negative effect on the agreed project scope. TCN scope in the BCS will depend on resolution of open contract issues with L3Harris Technologies.

Note

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

1.3 Project Context

Background

The LAND200 program is a core program that fundamentally influences the way Land Forces plan, command and control operations from frontline soldiers and combat vehicles up to and including deployed Joint Force Headquarters. LAND200-2 systems provide war-fighters with common battlefield awareness and information superiority through a highly capable, mobile and secure networked environment.

In August 2013, LAND200-2 (combining JP2072 Phase 3 and LAND75 Phase 4) received Government Combined First Approval and built upon the LAND200 Tranche 1 (LAND200-1) and LAND75 Phase 4 Battle Group and Below Command, Control and Communications System (BGC3) delivered to approximately one-third of the Land Force. The BGC3 prime contractor was Elbit Systems of Australia which integrated Raytheon Australia and L3Harris Technologies radios acquired by JP2072 Phases 1 and 2.

LAND200-2 scope focused on further development of the BMS that commenced under LAND75. No Military Off-The-Shelf BMS product was available that provided all of the Army requirements.

In September 2017, Second Pass Government Approval was provided for LAND200-2 that both projects (JP2072 Phase 3 and LAND75 Phase 4) formulate under the name LAND200-2 BCS. LAND200-2 intended to deliver integrated BMS-C2 with a supporting TCN into new vehicle platforms as part of the digitised Land force. In addition to this, a modernised TCN with a new vehicle mounted communications system solution will be acquired by current and future LAND200 platforms programs.

Other deliveries included BMS-C2 and TCN training and simulation across land forces and expanded functionality of the BMS-C2 to incorporate additional decision and planning tools for use at the Joint Task Force and Brigade Headquarters (BHQ) level. For the TCN, L3Harris Technologies has completed Preliminary Design and Detailed Design, however a Stop Payment was invoked with L3Harris Technologies in April 2022, due to an inability to achieve System Acceptance. This Stop Payment has been in force for all of FY 2022-23.

Uniqueness

LAND200-2 is delivering the core of Army's digital Command, Control and Communications capability. It is a highly complex project in part due to the integration of new leading edge technologies but also of programmatic interdependencies associated with the BCS being integrated into all the Land Forces deployable headquarters from Platoon to the Division and nearly all of Army's Land platforms and several Naval amphibious capabilities.

Major Risks and Issues

The current delivery risks for the project relate to the integration of the TCN system into a number of platforms.

The project is also managing the following major risks:

- Platform integration for the PMV-M.
- Platform integration for the PMV-L.

The project is also managing the following project issue constructively with L3Harris Technologies:

- Delivery Schedule Delay.

Other Current Related Projects/Phases

LAND200-2 has direct BCS integration interdependencies with several other Defence Projects and Products, including:

LAND121 Phase 4 – Protected Mobility Vehicles Light (PMV-L). The PMV-L Hawkei Mounted Combat System Program Office

(Product CA01 M1A1 Tank and M88 Armoured Recovery Vehicle); and Commercial and General Service Vehicle Systems Program Office (Product CA-04 PMV-M –Bushmaster).
Note
Major risks and issues are excluded from the scope of the Auditor-General's Independent Assurance Report.

Section 2 – Financial Performance[2]

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	$m		Notes
	Project Budget			
Sep 17	Original Approved (Government Second Pass Approval)	930.0		1
	Total at Second Pass Approval		**930.0**	
Jun 23	Exchange Variation		41.4	
Jun 23	**Total Budget**		**971.4**	
	Project Expenditure			
Prior to Jul 22	Contract Expenditure – L3Harris Technologies	(310.9)		2
	Contract Expenditure – Elbit Systems of Australia	(280.1)		
	Contract Expenditure – Downer EDI Engineering Power Pty Ltd	(32.7)		
	Contract Expenditure – Thales Australia Ltd	(6.5)		3
	Other Contract Payments / Internal Expenses	(31.1)		
			(661.3)	
FY to Jun 23	Contract Expenditure – Elbit Systems of Australia	(90.0)		
	Contract Expenditure – Downer EDI Engineering Power Pty Ltd	(6.9)		4
	Contract Expenditure – Thales Australia Ltd	(3.7)		
	Other Contract Payments / Internal Expenses	(1.5)		5
	Contract Expenditure – L3Harris Technologies	-		2
			(102.1)	
Jun 23	**Total Expenditure**		**763.4**	
Jun 23	**Remaining Budget**		**208.0**	6

Notes	
1	The Second Pass budget excludes First to Second Pass Approval funding for Work Packages B, C and D (these prices were combined with the Combined Pass Approval for Work Package A captured within the JP2072 Phase 3 and LAND75 Phase 4 projects).
2	Stop Payment was invoked with L3Harris Technologies in April 2022, due to an inability to achieve System Acceptance. This Stop Payment has been in force for all of FY 2022-23.
3	Other Contract Payments/Internal Expenses includes: ($14.1m) for Technical Services, ($6.9m) for Specialist Military Equipment, ($4.3m) for Miscellaneous, ($3.0m) for Operational Plant & Equipment, ($1.7m) for Travel and ($1.6m) for Software Licenses.
4	This is the provision of a multi-discipline workforce to deliver the Land Command, Control, Communications and Computer Systems (LC4S) Branch Integrated Works Package (IWP).
5	Other Contract Payments/Internal Expenses includes: ($0.9m) for Technical Services, ($0.5m) for Military Integrated Logistics Information System and Hardware purchases and ($0.1m) for Miscellaneous.
6	Funding for the work associated with the transfer of the 38 PMV-M Gateway (GW) vehicles to LAND4111 from LAND200-2 has yet to be finalised.

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	Estimate Final Plan $m	Explanation of Material Movements
164.0	200.4	168.0	Portfolio Budget Statement (PBS) to Portfolio Additional Estimate Statement (PAES): The variation is primarily due to delays to the BMS and TCN prime contracts. The scope of Elbit Systems of Australia component of the LAND200-2 projects was reduced by agreement between the Commonwealth and Elbit Systems of Australia. Defence and the L3Harris Technologies are working through known issues to finalise a number of Contract Change Proposals (CCP) to update the payment and delivery schedules and hence the FY 2021-22 underspend was carried forward into FY 2022-23 with the expectation to settle contract negotiations in-year.

Notice to reader

2. As per the JCPAA 2022-23 MPR Guidelines, financial figures in the PDSS have been rounded to one decimal point. Section 2 financial tables may include totals and percentages that are impacted due to the rounding of the original financial data.

			PAES to Final Plan: FY 2022-23 saw the finalisation of negations with one of the project prime contracts and further slippage to the L3Harris Technologies contract. The budget for TCN related milestones was shifted to FY 2023-24.
Variance $m	36.4	(32.4)	Total Variance ($m): 4.0
Variance %	22.2	(16.2)	Total Variance (%): 2.4

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan $m	Actual $m	Variance $m	Variance Factor	Explanation
		(65.8)	Australian Industry	For FY 2022-23 the project spent $102.1m against a planned budget of $168.0m, resulting in a variance of $65.9m. The variation has two sources: The first relates to a reduction in scope of the BMS Acquisition Contract and the scheduled expiry of the BMS Sustainment Contract. The second source to the in-year variance stems from L3Harris Technologies not achieving AT&E milestones as contracted. The Commonwealth has enacted Stop Payments as a result and therefore fewer payments were processed this FY, which significantly contributed to the in-year variance.
		-	Foreign Industry	
		-	Early Processes	
		-	Defence Processes	
		-	Foreign Government Negotiations/Payments	
		-	Cost Saving	
		-	Effort in Support of Operations	
		-	Additional Government Approvals	
168.0	102.1	**(65.8)**	**Total Variance**	
		(39.2)	**% Variance**	

2.3A Details of Project Major Contracts – Price

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature $m	30 Jun 23 $m			
Elbit Systems of Australia	Sep 17	365.2	370.1	Firm or Fixed	Standard Defence Contract	1, 3
L3Harris Technologies	Sept 17	330.0	364.5	Firm or Fixed	Standard Defence Contract	1, 2
Downer EDI Engineering Power Pty Ltd	Aug 19	17.7	51.4	Variable	Standard Defence Contract	1, 4
Thales Australia Ltd	May 21	12.7	14.0	Firm or Fixed	Standard Defence Contract	1, 5

Notes	
1	Price variation from Contract Signature is due to approved CCP30 where Elbit Systems of Australia's scope was changed.
2	The contract is for the provision of TCN systems.
3	The scope of this contract has changed, via negotiation and agreement of a CCP with Elbit Systems of Australia to remove the installation and integration from platforms.
4	LAND200-2 pays for its share of the workforce provided for the provision of above the-line professional services via this Major Service Provider (MSP) contract. The variance in contract value is due to the time elapsed since contract signature, which was August 2019 and the ongoing workforce required to deliver the project.
5	Installation of the LAND200-2 BCS within Hawkei vehicles will be the subject of a separate procurement.

2.3B Details of Project Major Contracts – Contracted Quantities and Scope

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 23		
Elbit Systems of Australia	N/A	N/A	Development of BMS software and integration and installation of systems into the M1A1, M88 and PMV-M.	1, 2
L3Harris Technologies	N/A	N/A	Development TCN software and provision of Army/ Navy Portable, Radio, Communication - 158 radios.	3
Downer EDI Engineering Power Pty Ltd	N/A	N/A	Provision of multi-discipline workforce to deliver the LC4S Branch IWP via the Capability Acquisition and Sustainment Group (CASG) MSP Arrangement.	4
Thales Australia Ltd	N/A	N/A	Delivery of the design solution for integration of the LAND200-2 BCS within Hawkei vehicles.	5

Major equipment accepted and quantities to 30 Jun 23
On 16 Mar 2023, Elbit Systems of Australia delivered nine configurations of the BMS R1.1 Software in the state it existed as of 30 June 2022.

Notes	
1	In the reporting period the Commonwealth accepted nine configurations of BMS R1.1 Software.
2	The scope of this contract changed, via negotiation and agreement with Elbit Systems of Australia to remove the installation and integration from platforms.

3	TCN systems include the following communication nodes: General Service Vehicle (GSV) Node PMV-L x 108, Manoeuvre (MNV) Node M1A1 x 59, MNV Node M88 x 7, MNV Node PMV-L x 126, GSV Node MHC x 150, Command and Control Variant (C2V) Node PMV-M x 57, and C2V Node PMV-L x 33.
4	As a project within LC4S Branch, LAND200-2 pays for its share of the workforce provided via this arrangement for the provision of above the-line professional services.
5	Installation of LAND200-2 deliverables within Thales Australia Ltd Hawkei vehicles will be the subject of a separate procurement.

2.4 Australian Industry Capability

Summary
The project has no contracted Australian Industry Capability (AIC) targets for L3Harris Technologies, Elbit Systems of Australia & Thales Australia Ltd but their public plans indicate opportunity for local industry involvement for software development, network simulation, logistic support, design modification and modelling services and proposed future opportunities available through Professional Networks and State Government Industry activities. There are no AIC targets or AIC Plan for Downer EDI Engineering Power Pty Ltd as they are one of several contractors under the CASG-wide MSP contract that provides above the line work force to projects.
Note
AIC Plans for contracts worth more than $20 million are published on Defence's website. Australian Industry Capability is excluded from the scope of the Auditor-General's Independent Assurance Report.

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	TCN Systems Requirement Review	Jul 18	N/A	Aug 18	1	1
	BMS Systems Requirements Review	N/A	N/A	N/A	N/A	2
Preliminary Design	TCN Preliminary Design Review (PDR)	May 19	N/A	Sep 19	4	3
	BMS PDR (Various Reviews)	N/A	N/A	N/A	N/A	2
	M1A1/M88 PDR	Jan 20	N/A	N/A	N/A	4
	PMV-L PDR	Oct 21	N/A	Mar 23	17	5
	PMV-M PDR	Sep 19	N/A	Sep 21	18	6
	BCS PDR	Feb 21	N/A	Mar 23	25	7
Detailed Design	TCN Detailed Design Review (DDR)	Sep 19	Aug 20	Oct 20	13	8
	BMS R1 DDR	Nov 19	N/A	NA	NA	9
	BMS R1.1 DDR	Aug 20	N/A	NA	NA	10
	BMS R2 DDR	Nov 20	N/A	N/A	N/A	11
	DDR M1A1/M88	Jul 20	N/A	Dec 20	5	4
	DDR PMV-L	Jan 22	N/A	N/A	N/A	5
	DDR PMV-M	Feb 21	N/A	N/A	N/A	6
	BCS DDR	Jun 21	N/A	Not For Publication (NFP)	NFP	7

Note	
1	System Requirements Review was delayed due to the rejection by the Commonwealth of the System Specification when first submitted for approval and the need for revisions by the contractor.
2	There is no discrete BMS Systems Requirements Review. BMS software does not follow the traditional Systems Engineering Review process. The Commonwealth has implemented a series of software specific agile reviews. In March 2023 Elbit Systems of Australia and the Commonwealth have agreed to reduce the scope of Land 200-2, so as to exclude that which is undeliverable for reasons of schedule, GFE availability and continued Commonwealth priority. This indicates that the contract is complete and therefore planned future milestones post acceptance of R1.1 will no longer form part of the BCS schedule.
3	TCN Preliminary Design Review variance resulted from the late entry into and exit from the Systems Definition Review.
4	This scope item was originally planned to be delivered under the Elbit Systems contract, however, this was not able to be progressed because of an inability to obtain original design information from the United States (US) Original Equipment Manufacturer to allow for Weapons Integrated Battle Management System (WINBMS) development. Instead of a formal Provisional Design Review / DDR, a tailored TCN Node has been installed in the Main Battle Tank/Armoured Recovery Vehicle (M1A1/M88) in response to an immediate obsolescence and risk mitigation request from Army Headquarters

	(AHQ), to replace the current radios. This work was performed as an internal CASG Engineering Change Proposal, supported by L3Harris Technologies. The full BCS node functionality will be realised in the M1A1/M88 by FMR. A tailored design review was conducted to confirm the functional baseline into the platform.
5	CCP078 to the LAND121 Phase 4 Acquisition Contract with Thales Australia Ltd was signed in May 2021. LAND200-2 will pay Thales Australia Ltd to produce the LAND200-2 BCS integration design solution within Hawkei vehicles. Installation of the BCS nodes within Hawkei vehicles will be the subject of a separate procurement.
6	This was a BMS related design milestone. This scope item will not be performed under the Elbit Systems of Australia contract. Instead, alignment of the LAND200-2 and the Protected Mobility Integration and Capability Assurance (PMICA) Non-Recurring Engineering (NRE) design requirements and installation will be performed by Thales Australia Ltd. L3Harris Technologies will be engaged as a subcontractor to Thales Australia Ltd.
7	The Commonwealth is the PSI responsible for the integration of the BMS and the TCN to realise the BCS. This is not supported by a contract because this is an internal to Commonwealth responsibility. The achievement of this milestone is not dependent upon the achievement of platform Design Reviews. This review will be subject to the re-baseline of the contract post the resolution of the open contract items under negotiation between L3Harris Technologies and the Commonwealth of Australia (CoA).
8	For the TCN DDR the contract date was updated with the approval of TCN CCP021. Stop Payments were invoked in October 2020 due to an inability to achieve the exit criteria associated with the DDR milestone. The Commonwealth worked with L3Harris Technologies to achieve the exit criteria and the Stop Payment condition was lifted in late October 2020.
9	BMS R1 DDR milestone event was delayed due to delayed completion of key design artefacts that were required to accurately describe the R1 capability.
10	A BMS software R1.1 was required due to a change in requirements requested by the Commonwealth. This was confirmed at BMS CCP004. The Commonwealth noted a number of Action Items requiring remediation at the conclusion of the DDR milestone. The Commonwealth endorsed progress to commence Test & Evaluation activities in order for the program to progress through the Software Readiness Review 1.1 milestone. The reduction in scope removed this milestone from project scope.
11	The Commonwealth implemented a change to the hosting for the secure environment from the Defence Secret Network to the Mission Partner Environment (MPE), requiring revised work requirements Delay of Release 2 (R2) DDR is linked to the delay in delivery of R1.1, as well as issues with external interdependencies. The reduction in scope removed this milestone from project scope. As R1.1 was the final deliverable agreed between the CoA and Elbit Systems of Australia there were no further R2 requirements for the Elbit Systems of Australia contract.

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	TCN Acceptance Test & Evaluation (AT&E)	May 21	N/A	Delayed from Feb 23	NFP	1
	BMS R1 AT&E	Jun 19	N/A	Mar 20	9	2
	BMS R1.1 AT&E	Aug 20	N/A	N/A	N/A	3
	BMS R2 AT&E	Dec 20	N/A	N/A	N/A	4
	M1A1/M88 Platform Integration AT&E	Apr 21	N/A	Delayed from Oct 23	NFP	5
	PMV-L AT&E	Jan 22	N/A	N/A	N/A	6
	PMV-M AT&E	Feb 20	N/A	N/A	N/A	7
	BCS AT&E	Oct 21	N/A	Delayed from Feb 23	NFP	8
Acceptance	TCN System Acceptance	Jun 20	Aug 21	Delayed From Oct 23	NFP	9
	BMS Acceptance R1	Jan 20	N/A	Mar 20	3	10
	BMS Acceptance R1.1	Sep 20	N/A	N/A	N/A	5, 8
	BMS Acceptance R2	Mar 21	N/A	N/A	N/A	4
	M1A1 Tank	Feb 22	N/A	N/A	N/A	5
	M88	May 22	N/A	N/A	N/A	5
	PMV-L	May 22	N/A	N/A	N/A	6
	PMV-M	Apr 21	N/A	N/A	N/A	7
	BCS Acceptance	May 22	N/A	Delayed from Nov 23	NFP	8

Note	
1	TCN System Integration delay was directly driven from delays to progress through the Test Readiness Review (TRR), a condition influenced by L3Harris Technologies inability to meet the TRR entry criteria, and by the Commonwealth's inability to deliver some of the Government Furnished Materiel (GFM). The CoA did not approve remediation planning and the Commonwealth and L3Harris Technologies are currently in negotiations to agree a way forward for the project. The Commonwealth and the Contractor continue to engage constructively to ensure that there is a clear understanding of open matters between them in connection with contractual matters include supply of GFM.
2	The BMS AT&E delay flows from the delay to the DDR and is now removed from the scope.
3	CoA and Elbit Systems of Australia agreement to accept R1.1 as it existed on 30 June 2022 removes the requirement for further Test and Evaluation.

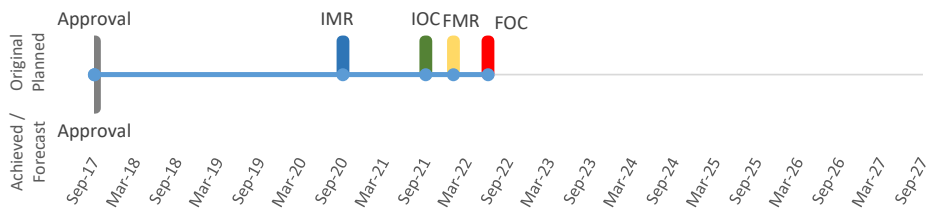
4	The Commonwealth implemented a change to the hosting for the secure environment from the Defence Secret Network to the MPE, requiring revised work requirements. Delay of R2 AT&E is linked to the delay in delivery of R1.1 achievement, as well as issues with external interdependencies. Concurrent work has continued in the development of software to minimise further delay.
5	This scope item will not be performed under the Elbit Systems of Australia contract.
6	CCP078 to the LAND121 Phase 4 Acquisition Contract with Thales Australia Ltd was signed in May 2021. LAND200-2 will pay Thales Australia Ltd to produce the LAND200-2 BCS integration design solution within Hawkei vehicles. Installation of the BCS nodes within Hawkei vehicles will be the subject of a separate procurement.
7	This scope item will not be performed under the Elbit Systems of Australia contract. Instead, alignment of the LAND200-2 and the PMICA, NRE design requirements and installation will be performed by Thales Australia Ltd. Harris Communication Australia will be engaged as a subcontractor to Thales Australia Ltd.
8	The Commonwealth is the PSI responsible for the integration of the BMS and the TCN to realise the BCS. This is not supported by a contract because this is an internal Commonwealth responsibility. The achievement of this milestone is not dependent upon the achievement of platform acceptance. Note that the BMS component of the project has been removed from scope.
9	TCN System Acceptance has been affected by delays in the availability of some GFM and further delays in milestones. The TCN System Acceptance milestone was updated with CCP021. TCN System Acceptance has been further delayed because of contractor delays in the completion of test procedures required for entry into AT&E. CCP037 was rejected by the Commonwealth in April 2022. L3Harris Technologies was directed to re-submit a remediation plan. This was received in July 2022 and rejected by the Commonwealth in September 2022.
10	The delay to the Software Release Review and associated acceptance for BMS R1 resulted from delays in achieving the R1 Software Design Review / TRR. This has been removed from the Scope.

3.3 Progress toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	Sep 20	Delayed from Jul 23	NFP	1, 2
Initial Operational Capability (IOC)	Sep 21	Delayed from Mar 24	NFP	1, 2
Final Materiel Release (FMR)	Jan 22	Delayed from Feb 25	NFP	1, 2
Final Operational Capability (FOC)	Jun 22	Delayed from Aug 25	NFP	1, 2

Notes	
1	IOC and FOC delays are being driven by time taken to establish new contracts for platform integration; availability of some GFM; materiel and data from interdependent projects that are experiencing separate, but parallel delays and concerns over contractor performance. Elbit Systems of Australia's milestones are no longer relevant due to project reduction in scope.
2	The forecast achievement of these milestones is expected to change as a result of delays to design and acceptance milestones. The magnitude of this delay is being considered. The re-planning of relevant milestones will occur post re-negotiation with L3Harris Technologies and the CoA for the remaining TCN component of the project.

Schedule Status at 30 June 2023

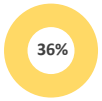


Note
Forecast dates in Section 3 are excluded from the scope of the Auditor-General's Independent Assurance Report.

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	
	**Green:** The project expects to meet Materiel Capability requirements as expressed in the Materiel Acquisition Agreement with the exception of the items referred to in the Red section below. Elbit Systems of Australia and the Commonwealth agreed to reduce the scope of Land 200-2 to exclude items that were undeliverable for reasons of schedule, GFE availability and continued Commonwealth priority. The delivery of R1.1 as it existed at 30 June 2022 has a slight positive effect on Materiel Capability / Scope Delivery, which is why the assessed percentage remains the same as the last report.

	**Amber:** Defence and Elbit Systems of Australia discussions regarding the remaining scope under the BMS contract have concluded. This agreement had a slight positive effect on the BCS and no effect on the 'at risk' or 'not delivered' aspects of the project. As the Elbit Systems of Australia agreement had no negative effect on the agreed project scope it therefore has not had an impact on this rating. This required Elbit Systems of Australia to deliver the R1.1 software as it existed on 30 June 2022, with the remaining scope removed. The TCN Contract is currently subject to a Default Notice, which is the primary driver for the amber assessment against the remaining scope of the BCS. Resolution of the ongoing contract negotiations with L3Harris Technologies will see this assessment updated.
	**Red:** The project will not deliver the WINBMS capability. The remaining 38 PMV-M GW vehicles originally within the project's scope will now be delivered by the LAND4111 Project. As the Elbit Systems of Australia agreement had no negative effect on the agreed project scope it therefore has not had an impact on this rating. Assessment against the remaining TCN scope in the BCS will depend on resolution of open contract issues with L3Harris Technologies.

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 Report.

This table needs to be read in the context of the whole of this project's PDSS. The measures of Materiel Capability/Scope Delivery Performance comprise the combined BMS and TCN capabilities. While the percentages represent the overall capability, individual percentages for BMS and TCN scope performance may fluctuate independently. The materiel capability and scope as at 30 June 23 is reflective of the contractual arrangements. Changes to Materiel Capability and Scope Delivery will be updated post resolution of the open contract issues for the TCN component of the BCS when they have been agreed and resolved.

4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Initial Materiel Release (IMR)	IMR comprises the delivery of: • Foundation Training Classroom requirements. • Training Integration Syndicate Rooms. • BMS Headquarters (HQ) hosted on MPE. • BGC3 Training Assemblage. • BMS Simulator. • MNV Nodes fitted to 16 M1A1 Tanks. • MNV Nodes fitted to 2 M88 Hercules. • C2V Nodes fitted to 11 PMV-L Hawkei. • MNV Nodes fitted to 42 PMV-L Hawkei. • GSV Nodes fitted to 36 PMV-L Hawkei. • GW Nodes fitted to 19 PMV-M Bushmaster. • GSV Node fitted to 50 MHC Trucks.	Not yet Achieved
Initial Operational Capability (IOC)	IOC incorporates the components of Fundamental Inputs to Capability (FIC) sufficient to constitute an operational capability: • Commander and staff in a BHQ are able to use the BMS to support the planning and conduct of operations. • The data network includes sufficient material to support a Battle Group (BG) sized force to plan and conduct operations using the BMS and WINBMS. • The TCN is established using Tranche 1 and Tranche 2 solutions to support a BG deployment. • The BMS is able to interface with Joint Conflict and Tactical Simulation and Virtual Battlespace Simulator systems to establish an initial simulation system. • Capability Manager sign-off of IOC.	Not yet Achieved
Final Materiel Release (FMR)	FMR comprises the delivery of: • Foundation Training Classroom requirements. • Training Integration Syndicate Rooms. • BMS HQ hosted on MPE. • BGC3 Training Assemblage. • BMS Simulator MNV Nodes fitted to 59 M1A1 Tanks. • MNV Nodes fitted to 7 M88 Hercules. • C2V Nodes fitted to 33 PMV-L Hawkei. • MNV Nodes fitted to 126 PMV-L Hawkei. • GSV Nodes fitted to 108 PMV-L Hawkei. • GW Nodes fitted to 57 PMV-M Bushmaster. • GSV Node fitted to 150 MHC Trucks.	Not yet Achieved

Final Operational Capability (FOC)	FOC incorporates the components of FIC sufficient to constitute full operational capability. • Each of Army's three Combat Brigades has one digitised BG and a small number of combat support vehicles. • Defence will be able to deploy a digitised BG and BHQ. • Defence could also configure and group all three BG under the digitised BHQ, all at the same readiness notice. • Capability Manager sign-off of FOC.	Not yet Achieved

Section 5 – Major Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)		
Ref#	Description	Remedial Action
1	There is a risk that there will be a funding shortfall for the combined implementation of the LAND200-2 modification and the PMICA upgrades on the PMV-M vehicles.	The project sponsor in Army has been advised of the likely funding shortfall, with further consideration to be held following the availability of costs from PMICA and Thales Australia Limited. The request for contingency funds no longer required by the project at this time, therefore this risk has been retired.
2	There is a schedule risk associated with being unable to realise the intended BCS Capability at IMR because of the BMS Project scope reduction and the schedule delays in the TCN Project.	A CCP is required to reset the baseline for the TCN Project. Upon agreement of the CCP this risk can be retired.
Emergent Risks (risk not previously identified but has emerged during 2022–23)		
Ref#	Description	Remedial Action
1	There is a risk that installation of the LAND200-2 scope on PMV-M GW vehicles will be beyond the project's remaining uncommitted budget availability, with the result that a call on contingency will be necessary to fund this work.	FY 2022-23 process to provide sufficient funds for this task. This was subsequently withdrawn as a result of the BMS project closure. Further refinement and analysis will be required once the L3Harris Technologies negotiations are completed.
2	There is a risk that installation of the LAND200-2 scope on PMV-L vehicles will be beyond the Project's remaining uncommitted budget availability, with the result that a call on contingency will be necessary to fund this work.	Review this post project scope discussions with L3Harris Technologies at which time an assessment against the remaining scope of work for the BCS project will be undertaken to determine if contingency may be required to be called upon.

5.2 Major Project Issues

Ref#	Description	Remedial Action
1	There was a schedule issue that the delivery of BMS R2 was delayed resulting in a delay to the capability delivery and a delay to the completion of the BMS contract.	Discussions and agreements from the outcomes of reviews undertaken have been addressed in the agreement achieved to remove the scope. This issue has been retired.
2	There was a BMS software schedule issue. The Commonwealth and Elbit Systems of Australia were unable to agree that the R1.1 delivered BMS-C2 software has satisfied the release criteria associated with the Software Release Review 1.1.	Discussions and agreements from the outcomes of reviews undertaken have been addressed in the Agreement achieved to remove the scope. This issue retired.
3	There is a delay to TCN System Acceptance stemming from an inability to exit the TRR.	The Commonwealth and L3Harris Technologies Ltd continue to work collaboratively to determine the best way forward.
4	Required updates to the Australian Land Data Model will be released by Land Network Integration Centre (LNIC) after the Elbit Systems of Australia and L3Harris Technologies contract development gates have passed resulting in additional costs and schedule delay to delivering the FOC capability.	This risk has been realised and is now being managed as an issue. Coordinated briefings have been established with the LNIC, the LAND200-2 Project Office and the two major contractors. Future updates to the Australian Land Data Model will involve negotiation between the LAND200-2 Project Office and the LNIC regarding the required level of compliance and the schedule for implementation so that commercial considerations can be addressed with the contractors. Defence may need to seek additional contingency and inform Government of the new schedule to incorporate new requirements that have a significant capability realisation benefit to Army. This issue is retired. BMS contract is closed and assessment against the remaining TCN scope in the BCS will depend on resolution of open contract issues with L3Harris Technologies.
5	There is a schedule risk due to the length of time to achieve security accreditation of TCN software it may delay the achievement of TCN Systems Acceptance.	This was previously reported as a risk and is now being managed as an issue. Additional resourcing will be allocated to the security accreditation team within the Commonwealth to minimise the impact. This will be reassessed post L3Harris Technologies negotiations.

6	The BMS Simulation – Tactics, Training and Procedures Capability will be delayed resulting in a delay to the capability delivery and a delay to the completion of the BMS contract.	This risk has been realised and as a result of the reduction in scope of the BMS contract. This issue is retired.
7	There is technical issue associated with TCN integration with the MPE due to incomplete definition of the MPE.	Maintain pressure on AHQ to provide better definition of the MPE. This issue has been retired.

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
In line with Defence Instructions and CASG Lessons policy, the project conducts scheduled reviews of its captured lessons information (including any observations, insights and/or lessons identified) as well as lessons Information contained within the Defence Lessons Repository. The project has captured four lessons related to Commercial and Schedule Management. Three project lessons are provided below (note this does not include all project lessons):	The project has not categorized any of its lessons information as a whole-of-Defence Lessons Learned.
Lesson Type – Observation. Projects and Programs involving multiple contracts for delivery of capability must establish clear strategies and alignment for integration requirements across the complete scope of work. Contractual mechanisms to align obligations between parties is essential where integrated solutions to deliver Defence capability is necessary.	Commercial
Lesson Type – Insights. Project and Program performance must be proactively managed through application of valid data to address performance. A clear understanding of the importance of performance data to the effective management of scope delivery is essential between parties. Data quality and schedule integrity enhances project predictability, reduces risks, and improves the likelihood of delivering defence capability.	Schedule Management
Lesson Type – Observation. Options to 'off ramp' scope elements that display unrecoverable deviation from the approved baseline must be unambiguously articulated within a 'risk sharing' partnership. A culture that encourages acceptable capability solutions to be delivered at the time they are required is essential for timely delivery of Minimum Viable Capability to the Capability Manager.	Commercial

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2023

Unit	Name
Division	Joint Systems
Branch	Land Command, Control, Communications and Computer Systems