

Project Data Summary Sheet¹

Project Number	AIR5349 Phase 6
Project Name	ADVANCED GROWLER – AIRBORNE ELECTRONIC ATTACK UPGRADE
First Year Reported in the MPR	2022-23
Capability Type	Upgrade
Capability Manager	Chief of Air Force
Government 1st Pass Approval	Dec 16
Government 2nd Pass Approval	Dec 16, Dec 22
Budget at 2nd Pass Approval	\$3,221.9m
Total Approved Budget (Current)	\$3,200.1m
2022–23 Budget	\$50.9m
Complexity	ACAT II



Section 1 – Project Summary

1.1 Project Description

Project AIR5349 Bridging Air Combat Capability was initiated to maintain an air combat capability during transition from F/A-18A/B and F-111 to F-35A. Phases 1 and 2 led to introduction of 24 F/A-18F aircraft and related weapons respectively. AIR5349 Phase 3 acquired an Airborne Electronic Attack Capability (AEAC), including 12 EA-18G Growler and related mission and support systems such as the Mobile Threat Training Emitter System (MTTES). Project AIR5349 Phase 6 was initiated to support the next series of major Royal Australian Air Force (RAAF) EA-18G Growler upgrades and associated Fundamental Inputs to Capability (FIC) elements, required to ensure AEAC remains effective through to the Planned Withdrawal Date.

AIR5349 Phase 6 comprises the following:

- Next Generation Jammers (NGJ), and associated aircraft integration – NGJ is being developed and acquired by the United States Navy (USN) in three increments, namely; NGJ Mid Band (NGJ-MB), NGJ Low Band (NGJ-LB) and NGJ High Band (NGJ-HB).
- Aircraft modifications including sensor upgrades.
- Anti-Radiation Missile (ARM) variants.
- Electronic Warfare (EW) training range upgrades.
- Other Jammers.
- FIC elements including personnel, facilities, spares, support and training devices.

The project will be executed via a tranche approach (nominally three tranches) to Government, with scope of each tranche aligned against USN NGJ Program (i.e. Low, Mid and High Band).

1.2 Current Status

Cost Performance

In-year

As at 30 June 2023, Financial Year (FY) 2022-23 expenditure is \$90.1m against a budget of \$50.9m. The end of FY overspend is due to MTTES and NGJ-MB activity occurring ahead of plan.

Project Financial Assurance Statement

As at 30 June 2023, project AIR5349 Phase 6 has reviewed the approved scope and budget for those elements required to be delivered. Having reviewed the current financial and contractual obligations of Defence for this project, current known risks and estimated future expenditure, Defence considers as at the reporting date, there is sufficient budget including contingency remaining for the project to complete against the agreed scope.

Contingency Statement

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

Schedule Performance

The project has successfully achieved Materiel Release 1 (MR1) milestone and Government Second Pass Approval for Tranche 1 in accordance with the current Materiel Acquisition Agreement (MAA).

The project is on track to deliver against the capability milestones as per the current MAA.

Materiel Capability/Scope Delivery Performance

The project has successfully achieved MR1 milestone in December 2022.

AIR5349 Phase 6 Tranche 1 scope includes:

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.

<ul style="list-style-type: none"> Acquisition and sustainment of NGJ-MB Jammers. Acquisition and sustainment of AGM-88G Advanced Anti-Radiation Guided Missile – Extended Range. Acquisition and sustainment of EW training range upgrades, including upgrades to the MTTES and acquisition of Mobile Electronic Warfare Training Emitter Systems (MEWTES). Cooperative development of NGJ-LB and NGJ-HB. Aircraft development and sensor upgrades. FIC elements associated with Tranche 1 acquisition. <p>The project is on track to deliver against the agreed:</p> <ul style="list-style-type: none"> EA-18G aircraft centric capability outcomes through Tranche 1 Initial Operational Capability (IOC) and Tranche 1 Operational Capability 2 (OC2). EW ranges centric capability outcomes through Ready For Training (RFT) 1 through 4.
<p>Note</p> <p>Forecast dates and capability assessments are excluded from the scope of the Auditor-General's Independent Assurance Report.</p>
<p>1.3 Project Context</p>
<p>Background</p> <p>AIR5349 Phase 6 will introduce a number of enhancements to the AEAC, centred on the EA-18G Growler. Enhancements to the aircraft will follow the USN upgrade pathway ('flight plan') to maintain commonality between the Australian and USN EA-18G Growler. This meets the intent of the Defence White Paper 2016, enabling the Australian Growler to remain fully capable and fully interoperable, at all security levels, ensuring ongoing operational relevance and the successful conduct of combined Airborne Electronic Attack (AEA) operations.</p> <p>In 2014, United States (US) invited Australia to participate in the Cooperative Program (CP) for the development of the NGJ Weapon System. In December 2016, the Government through First Pass Approval agreed for Australia to enter into CP with the USN through Engineering, Manufacture and Development (EMD) Memorandum of Understanding (MoU) for NGJ-MB capability development, and Second Pass Approval for the procurement of the operational ARM variants via a Foreign Military Sales (FMS) arrangement. In 2017, the project performed Smart Buyer profiling that supported the Phase 6 project to build on existing Growler FIC and remain USN-common. This was considered to refine the project scope and associated execution strategy.</p> <p>In August 2019, the Government through Interim Pass Approval agreed for Australia to continue further participation future cooperative efforts for NGJ-MB with the USN through Production, Sustainment and Follow-on Development (PSFD) MoU, and NGJ-LB capability development through a subordinate Project Arrangement (PA).</p> <p>In 2021, an additional Smart Buyer activity was undertaken to revalidate the project's execution strategy. As a result of the Smart Buyer considerations, the project will approach Government on three separate occasions as a minimum, for approval of each of the major tranches aligned against USN NGJ Program (i.e. Low, Mid and High Band). Such an approach will provide the flexibility necessary to respond to changes in the threat environment and US programs and maintain commonality with the USN aircraft.</p> <p>The Government Second Pass Approval for Tranche 1 was received in December 2022.</p>
<p>Uniqueness</p> <p>AIR5349 Phase 6 is unique as Australia entered into a bilateral arrangement with the United States for co-development of NGJ. Acquiring NGJ-MB through a CP enables Defence to gain insights on design and development that reduces risks associated with transition into service, and promotes interoperability with the USN.</p>
<p>Major Risks and Issues</p> <p>The project is currently managing four major risks associated with schedule, which are related to the potential delay to Materiel Release (MR) and RFT milestones.</p> <p>The project is currently not tracking any major issues.</p>
<p>Other Current Related Projects/Phases</p> <ul style="list-style-type: none"> AIR5349 Phase 3 - Growler Airborne Electronic Attack Capability. Project AIR5349 Phase 3 acquired 12 EA-18G Growler AEA aircraft, ALQ-99 Tactical Jamming System and associated weapons, training system, and through-life aircraft upgrades and support. JP2093 Guided Weapons and Explosive Ordnance Storage Program. Undertake the required scope of work associated with the weapons storage facilities, with AIR5349 Phase 6 contributing towards informing weapons storage requirements and associated funding.
<p>Note</p> <p>Major risks and issues are excluded from the scope of the Auditor-General's Independent Assurance Report.</p>

Project Data Summary Sheets

Auditor-General Report No.14 2023–24
2022–23 Major Projects Report

Section 2 – Financial Performance²

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
Project Budget			
Sep 17	Original Approved (Government First Pass Approval)	271.1	1
Aug 19	Government Interim Pass Approval	279.2	2
Mar 23	Government Second Pass Approval	2,671.7	3
	Total at Second Pass Approval	3,221.9	
Aug 21	Transfers	0.8	4
Sep 21	Transfers	2.4	4
Apr 22	Transfers	(6.6)	4
Jun 23	Exchange Variation	(18.4)	
Jun 23	Total Budget	3,200.1	
Project Expenditure			
Prior to Jul 22	US Government (NGJ Increment One Development MoU)	(191.4)	
	US Government (NGJ PSFD MoU)	(97.1)	
	US Government (NGJ-LB Capability PA)	(72.1)	
	US Government (FMS Case AT-P-AQP)	(16.8)	
	Other Contract Payments / Internal Expenses	(14.2)	5
		(391.6)	
FY to Jun 23	US Government (NGJ-MB Prime Contract)	(38.1)	
	US Government (NGJ PSFD MoU)	(23.1)	
	CEA Technologies Pty Ltd	(11.7)	
	US Government (NGJ Increment One Development MoU)	(11.7)	
	Other Contract Payments / Internal Expenses	(5.4)	6
		(90.1)	
Jun 23	Total Expenditure	(481.7)	
Jun 23	Remaining Budget	2,718.4	
Notes			
1	Government First Pass Approval to initiate the project, enter NGJ Increment One Development MoU with the USN and Government Second Pass Approval to progress FMS Case AT-P-AQP. Allocation of funding occurred in September 2017, following Government First Pass in December 2016.		
2	Government Interim Pass Approval, to enter into the NGJ PSFD MoU, NGJ-LB Capability PA and continue development of the NGJ capability.		
3	Government Second Pass Approval of Tranche 1 funding. Tranche 1 approval to fund NGJ-MB shipsets and associated spares and support equipment; AGM-88G acquisition; EW Ranges upgrades, including upgrades to the MTTES and acquisition of MEWTES; development of aircraft upgrades, cooperative development of the NGJ-LB and NGJ-HB with the USN; and FIC element upgrades and sustainment associated with Tranche 1 acquisition. Allocation of funding occurred in March 2023, following Government Second Pass in December 2022.		
4	Transfer of funds due to RAAF contingency and unallocated budget movements and transfer of funds to Security and Estate Group (SEG) as well as transfer of Air Force Headquarters managed funds to Capability Acquisition and Sustainment Group (CASG).		
5	Other contract payments/internal expenses to 30 June 2022 were comprised of contractor support, travel and project management expenses.		
6	Other contract payments/internal expenses to 30 June 2023 were comprised of contractor support, travel, project management expenses, and FMS Case AT-P-AQP.		

2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
63.7	48.5	50.9	Portfolio Budget Statement (PBS) to Portfolio Additional Estimates Statement (PAES): Variation is due to funds transfer to SEG, allocated budget and foreign currency exchange adjustments. PAES to Final Plan: Variation is due to allocated budget and foreign currency exchange variations.

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.

Variance \$m	(15.2)	2.4	Total Variance (\$m): (12.8)
Variance %	(23.9)	5.0	Total Variance (%): (20.1)

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
		10.6	Australian Industry	The variance in spending was primarily due to: <ul style="list-style-type: none"> (Australian Industry) CEA Technologies Pty Ltd – earlier than planned expenditure of payments. (Foreign Government) Exchange Of Letters (EOL) – advanced payment of shared contribution to development costs. (Foreign Government) NGJ-MB Prime Contract – earlier than planned expenditure of payments. (Cost Saving) FMS and Project Office Support – FMS disbursements received not as high as planned, contractor and travel underachieved against budget.
		-	Foreign Industry	
		-	Early Processes	
		-	Defence Processes	
		37.9	Foreign Government Negotiations/Payments	
		(9.2)	Cost Saving	
		-	Effort in Support of Operations	
		-	Additional Government Approvals	
50.9	90.1	39.2	Total Variance	
		77.1	% 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			
US Government (FMS Case AT-P-AQP)	20 Sep 17	19.4	21.9	Reimbursement (for FMS)	FMS	-
US Government (NGJ Increment One Development MoU)	18 Oct 17	199.4	203.1	Cost Ceiling (Capped)	MoU	1, 2
US Government (NGJ PSFD MoU)	17 May 20	109.1	120.3	Cost Ceiling (Capped)	MoU	1, 3, 4
US Government (NGJ-LB Capability PA)	13 Jul 20	80.7	72.1	Cost Ceiling (Capped)	MoU	1, 5
CEA Technologies Pty Ltd	22 Dec 22	252.4	275.0	Firm or Fixed	Standard Defence Contract	6
US Government (NGJ-MB Prime Contract)	13 Mar 23	284.4	288.8	Variable	MoU	7
Notes						
1	This agreement has fully expended all funding to the US Government.					
2	An agreement to enable shared contributions to EMD of NGJ-MB with some discussion of follow-on developments. Funding is limited to a cost ceiling, which can only be changed upon mutual written consent of the Participants. Australia is responsible for paying a proportion of the total costs.					
3	An 'umbrella' agreement to enable shared contributions to PSFD of the NGJ Weapon System (including Production and Sustainment of NGJ-MB), with subordinate PAs for additional AEA capabilities. The PSFD MoU provides scope for production, sustainment, and follow-on development of AEA capabilities. Funding is limited to a cost ceiling, which can only be changed upon mutual written consent of the Participants. Australia is responsible for paying a proportion of the total costs.					
4	The EOL agreed an increase to the price ceiling of the PSFD MoU for the follow-on development of the NGJ-MB capability.					
5	PA under the PSFD MoU to design, develop, test and integrate NGJ-LB capability into the EA-18G Growler. Australia is responsible for paying a proportion of the total costs.					
6	The scope of the contract includes eight x MEWTES, four x Advanced MTTES (ADVM) and associated support system elements.					
7	The scope of the contract includes initial quantity of NGJ-MB shipsets, spares, support equipment and training system.					

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 23		
US Government (FMS Case AT-P-AQP)	Classified	Classified	AGM-88 variants and support.	-
US Government (NGJ Increment One Development MoU)	N/A	N/A	Australia's contribution to shared costs from FY 2017-18 to FY 2022-23, and includes contribution to project overhead and administration costs, as well as EMD common efforts for NGJ-MB, including associated science and technology activities; and the development of mission systems, training,	1

Project Data Summary Sheets

Auditor-General Report No.14 2023–24
2022–23 Major Projects Report

			production plans and support equipment and technologies.	
US Government (NGJ PSFD MoU)	N/A	N/A	Australia's contribution to shared costs from FY 2020-21 to FY 2022-23, and includes contribution to PSFD common efforts of NGJ-MB, and project overhead and administration costs.	1
US Government (NGJ-LB Capability PA)	N/A	N/A	Australia's contribution to shared costs from FY 2021-22, and includes contribution to project overhead and administration costs, as well as EMD common efforts, including associated science and technology activities; and the development of mission systems, training, production plans and support equipment and technologies.	1
CEA Technologies Pty Ltd	Various	Various	Eight x MEWTES, four x ADVM, publications, manuals, training, transition, integration and support services.	2
US Government (NGJ-MB Prime Contract)	Various	Various	Initial quantity of NGJ-MB shipsets, spares, training system and support equipment.	-
Major equipment accepted and quantities to 30 Jun 23				
All contracted supplies under FMS Case AT-P-AQP have been delivered.				
Notes				
1	No equipment delivered as part of the MoUs or PA.			
2	This Contract is an Official Order under the Active Electronically Scanned Array Head Deed for additional emitter systems.			

2.4 Australian Industry Capability

Summary	
The project has contracted Australian Industry Capability (AIC) targets based on opportunities to maximise internationally competitive Australian Industry involvement which is captured in the CEA Technologies Pty Ltd AIC Plan in support of applicable Sovereign Industrial Capability Priorities.	
The project has no contracted AIC targets for its US Government FMS acquisition as the US Foreign Government arrangement does not include the contractual provision or obligations for Australian Industry Content.	
The project has no contracted AIC targets for its US Government CP, however has provisions to encourage competitive participation of Australian Industry without the contractual obligations for Australian Industry Content.	
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	ADVM7	N/A	N/A	N/A	N/A	1
	ADVM8	N/A	N/A	N/A	N/A	1
	ADVM9	N/A	N/A	N/A	N/A	1
	ADVM11	N/A	N/A	N/A	N/A	1
	MEWTES	Dec 23	N/A	Dec 23	0	2, 3
Preliminary Design	ADVM7	N/A	N/A	N/A	N/A	1
	ADVM8	N/A	N/A	N/A	N/A	1
	ADVM9	N/A	N/A	N/A	N/A	1
	ADVM11	N/A	N/A	N/A	N/A	1
	MEWTES	N/A	N/A	N/A	N/A	2
Critical Design	NGJ-MB	N/A	N/A	Apr 17	N/A	4
	AGM-88G	N/A	N/A	Feb 20	N/A	5
	ADVM7	N/A	N/A	N/A	N/A	1
	ADVM8	N/A	N/A	N/A	N/A	1
	ADVM9	N/A	N/A	N/A	N/A	1
	ADVM11	N/A	N/A	N/A	N/A	1
	MEWTES	Jan 24	N/A	Jan 24	0	2, 6
Notes						
1	ADVM7, ADVM8, ADVM9 and ADVM11 systems are off-the-shelf CEA Technologies Pty Ltd products without any development required.					

2	The CEA Technologies Pty Ltd Contract does not use System Requirements, Preliminary Design or Critical Design Mandated System Reviews. Rather, CEA Technologies Pty Ltd approach is to use Technical Progress Reviews (TPR) to progressively iterate the design through-out the design phase then monitor production throughout the contract.
3	MEWTES is a developmental system requires design within scope of the contract. The equivalent date of MEWTES System Requirements Review is the date that the final version of the MEWTES System Performance Specification (SPS) describing the MEWTES 'Functional Baseline' is delivered to the Commonwealth of Australia (CoA). Prior to this time, CoA and CEA Technologies Pty Ltd will use TPR to refine the draft MEWTES SPS to a final version due in December 2023.
4	Per the US Department of Defence (DoD) Acquisition Life Cycle, Critical Design Review for NGJ-MB was achieved April 2017.
5	Per the US DoD Acquisition Life Cycle, Critical Design Review for AGM-88G was achieved in February 2020.
6	There is no contracted date for the MEWTES Critical Design Review. However, post-TPR #4 occurring in January 2024, the MEWTES design is expected to be refined to an equivalent Critical Design Review level in order to commence orders for bespoke MEWTES components. January 2024 is the date that TPR #4 is issued to the CoA.

3.2 Contractor Test and Evaluation Progress

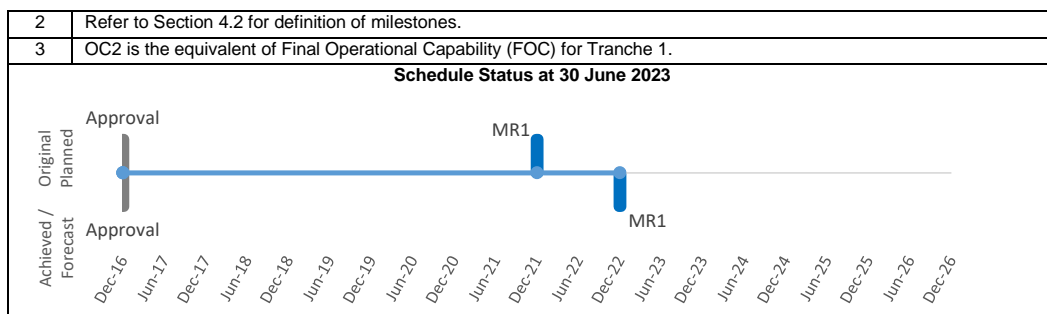
Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/Forecast	Variance (Months)	Notes
System Integration	AGM-88G USN IOC	N/A	N/A	Sep 23	N/A	1
	NGJ-MB USN IOC	N/A	N/A	Sep 23	N/A	2
	ADVM11	Oct 25	N/A	Sep 25	(1)	3
	ADVM8	Nov 25	N/A	Nov 25	0	3
	MEWTES #1	Aug 26	N/A	Mar 26	(5)	3
	MEWTES #2	Aug 26	N/A	Jun 26	(2)	3
	ADVM7	Jun 26	N/A	May 26	(1)	3
	ADVM9	Jul 26	N/A	May 26	(2)	3
	MEWTES #3	Oct 26	N/A	Sep 26	(1)	3
	MEWTES #4	Oct 26	N/A	Sep 26	(1)	3
	MEWTES #5	Oct 26	N/A	Sep 26	(1)	3
	MEWTES #6	Oct 26	N/A	Sep 26	(1)	3
MEWTES #7 and #8	Jan 27	N/A	Dec 26	(1)	3	
Acceptance	Acceptance of MEWTES #1	Sep 26	N/A	Sep 26	0	4
	Acceptance of MEWTES #2	Nov 26	N/A	Nov 26	0	4
	Acceptance of MEWTES #3	Mar 27	N/A	Mar 27	0	4
	Acceptance of MEWTES #4	Mar 27	N/A	Mar 27	0	4
	Acceptance of ADVM7	Sep 26	N/A	Sep 26	0	4
	Acceptance of ADVM8	Feb 26	N/A	Mar 26	1	4, 5
	Acceptance of ADVM9	Jan 27	N/A	Jan 27	0	4
	Acceptance of ADVM11	Sep 26	N/A	Sep 26	0	4
	Acceptance of MEWTES #5	Mar 27	N/A	Mar 27	0	4
	Acceptance of MEWTES #6	Mar 27	N/A	Mar 27	0	4
Acceptance of MEWTES #7	May 27	N/A	May 27	0	4	
Acceptance of MEWTES #8	May 27	N/A	May 27	0	4	
Notes						
1	USN key milestone for AGM-88G system under the US DoD Acquisition Life Cycle.					
2	USN key milestone for NGJ-MB system under the US DoD Acquisition Life Cycle.					
3	Dates align with the delivery of systems to the CoA on completion of Range Acceptance Testing.					
4	Dates align with the Supplies Acceptance milestone in the Contract Master Schedule.					
5	Variance due to revised forecast within the Contract Master Schedule.					

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Materiel Release 1 (MR1)	Oct – Dec 21	Dec 22	12	1
MTTES RFT1	Not For Publication (NFP)	NFP	0	2
Tranche 1 Initial Operational Capability (IOC)	NFP	NFP	0	2
MTTES RFT2	NFP	NFP	0	2
MTTES RFT3	NFP	NFP	0	2
MTTES RFT4	NFP	NFP	0	2
Tranche 1 Operational Capability 2 (OC2)	NFP	NFP	0	3
Notes				
1	Variance due to additional time required for due diligence activities to confirm materiel delivery in support of the milestone.			

Project Data Summary Sheets

Auditor-General Report No.14 2023–24
2022–23 Major Projects Report



Note
Forecast dates in Section 3 are excluded from the scope of the Auditor-General's Independent Assurance Report.
The approval date in this graph refers to Government Second Pass Approval received in December 2016 to enter in a FMS arrangement. Government Second Pass Approval for Tranche 1 was received in December 2022.

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 the current capability requirements as expressed in the MAA.
	Amber: N/A
	Red: N/A
Note	
This Traffic Light Diagram represents Defence's expected capability delivery. Capability assessments and forecast dates are excluded from the scope of the Auditor-General's Independent Assurance Report.	

4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Materiel Release 1 (MR1)	Delivery of AGM-88 variants war stock into Australian Defence Force inventory.	Achieved
MTTES RFT1	Capable of conducting MTTES operations in an additional single training area and having achieved increased MTTES training capability and capacity. MTTES RFT1 achievement is reliant on the successful delivery of MR2.	Not yet Achieved
Tranche 1 Initial Operational Capability (IOC)	IOC of NGJ-MB and AGM-88G integrated on RAAF EA-18G Growler, having completed the required level of test and evaluation and trained the necessary workforce. Achievement of Tranche 1 IOC achievement is reliant on the successful delivery of MR3, MR4 and MR5.	Not yet Achieved
MTTES RFT2	Initial MEWTES capability, and capable of conducting MTTES operations in additional training areas, having completed the required level of test and evaluation and achieved increased MEWTES training capability and capacity. MTTES RFT2 achievement is reliant on the successful delivery of MR6.	Not yet Achieved
MTTES RFT3	ADVM7, ADVM8, ADVM9 and ADVM11 capability and associated through-life support, upgraded Mission Control Centre, having completed the required level of test and evaluation and achieved increased MTTES training capability and capacity. MTTES RFT3 achievement is reliant on the successful delivery of MR7.	Not yet Achieved

MTTES RFT4	Mature MEWTES capability and associated through-life support, having completed the required level of test and evaluation. MTTES RFT4 achievement is reliant on the successful delivery of MR8.	Not yet Achieved
Tranche 1 Operational Capability 2 (OC2)	Mature NGJ-MB and AGM-88G capability integrated on RAAF EA-18G Growler, including associated through-life support. Tranche 1 OC2 achievement is reliant on the successful delivery of MR9.	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	N/A	N/A
Emergent Risks (risk not previously identified but has emerged during 2022–23)		
Ref#	Description	Remedial Action
1	Four schedule risks have been identified relating to potential delay to MR milestones due to late delivery of multiple materiel system elements.	The project continues to work closely with the materiel system providers to refine design and production timelines in support of the applicable MR milestones.

5.2 Major Project Issues

Ref#	Description	Remedial Action
1	N/A	N/A

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 instruction 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 three lessons in total, relating to Contract Management, Resourcing and Governance, and Governance. These project lessons are provided below:	The project has not categorised any of its lessons information as a whole-of-Defence Lesson Learned.
Lesson Type – Observation. Funding for CP set-up costs. A FMS case is required to be in place as a foreign disclosure vehicle to allow information exchange and to provide funding for setup costs associated with establishing a CP.	Contract Management
Lesson Type – Observation. One Defence Strategic Risk Management (SRM) Framework. A One Defence SRM framework should be developed and aligned with the Defence harmonised risk management framework that is prescribed in Defence policy. This would improve visibility and communication of risks across Defence and Government.	Resourcing & Governance
Lesson Type – Observation. Promotion of effective and efficient communication of risks across multiple organisations. The project management plan should be utilised to promote effective and efficient communication of risks across multiple organisations to ensure compliance with Work Health and Safety legislations and Defence's safety management frameworks.	Governance

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2023

Unit	Name
Division	Aerospace Systems Division
Branch	Aerospace Combat Systems

Project Data Summary Sheets

Auditor-General Report No.14 2023–24
2022–23 Major Projects Report