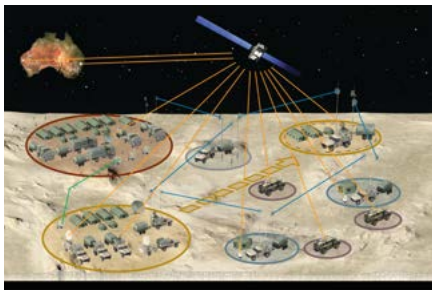
Project Data Summary Sheet[1]

Project Number	**JNT2072 Phase 2B[2]**
Project Name	**BATTLESPACE COMMUNICATIONS SYSTEMS**
First Year Reported in the MPR	2017–18
Capability Type	Replacement
Capability Manager	Chief of Army
Government 1st Pass Approval	May 11
Government 2nd Pass Approval	Stage 1 – May 15
Budget at 2nd Pass Approval	$915.7m
Total Approved Budget (Current)	$947.4m
2022–23 Budget	$54.1m
Complexity	ACAT I



Section 1 – Project Summary

1.1 Project Description

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

JNT2072 Phase 2B will provide the BCS-L deployed wide-band backbone by replacing and enhancing the existing Battlefield Telecommunications Network (BTN) capability within Army and Air Force. The Integrated Battlespace Communications System Network (I-BTN) will provide secure communications within deployed Australian Defence Force (ADF) Headquarters, commanders and their subordinate staff, to effectively exchange voice, data and video. This capability will be further enhanced through the provision of a Headquarters On The Move (HQOTM) capability. JNT2072 Phase 2B will deliver the I-BTN in three capability Releases with Release 1 providing transit case nodes and Release 2 and Release 3 providing Vehicle Mounted Nodes (VMN) and additional capabilities. The end state will be an I-BTN that provides greater capacity; more effective switching, wireless and wired network infrastructure supporting secure voice, data and video services. The I-BTN contractor is Boeing Defence Australia Ltd. JNT2072 Phase 2B will provide end-to-end connectivity from the Mission Partner Environment, through and within the I-BTN, and to the Defence Terrestrial Communications Network (TCN) (provided by JNT2047 Phase 3). JNT2072 Phase 2B has provided supplementary funding to Joint Command, Control, Communications, Computers and Intelligence Systems Program Office (JC4ISPO) for the procurement of 259 Deployable Local Area Network (DLAN) systems for integration with I-BTN. This hardware has been provided to LAND 4125. Further, JNT2072 Phase 2B is scoped to acquire a Terrestrial Range Extension System (TRES) consisting of both ground based and tethered components to extend the range of tactical radios procured under earlier phases of JNT2072. The project scope for ground based TRES will be delivered via an acquisition activity to procure a system known as the Mobile Retransmission System (MRS). This acquisition is being conducted by Land C4 Sustainment System Program Office (LC4SPO) using project funds. The Tethered TRES project scope will not proceed following the conduct of risk reduction activities.

1.2 Current Status

Cost Performance

In-year

As at 30 June 2023, Financial Year (FY) 2022-23 expenditure was $51.0m, against FY 2022-23 budget of $54.1m. The variance is due to a number of factors; delays to delivery of the I-BTN Release 3 VMN as a result of ongoing effects of COVID-19 supply chain issues; a later than planned delivery of I-BTN Release 3 System Maintenance Release HQOTM vehicles, where the production of the vehicles has been delayed due to defective Government Furnished Materiel (GFM); and, the Tethered TRES procurement not proceeding as intended.

Project Financial Assurance Statement

As at 30 June 2023, JNT2072 Phase 2B has reviewed the approved scope and budget for those elements required to be delivered by the project. Having reviewed the current financial and contractual obligations of the project, current known risks and estimated future expenditure, Defence considers, as at the reporting date, that there is sufficient budget including contingency remaining for the project to complete against the agreed scope.

Contingency Statement

The project did not apply for contingency in the FY 2022-23.

Schedule Performance

In FY 2022-23 Boeing Defence Australia Ltd finalised the delivery of 18 Man Portable Formation Nodes (Upgrade) and 21 Man Portable Unit Nodes (Upgrade).

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.

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

In FY 2022-23 Boeing Defence Australia Ltd continued to experience the effects of COVID-19 supply chain issues. I-BTN Release 3 Vehicle Mounted Formation and Unit Nodes due for delivery in 2022 was impacted by COVID-19 supply chain issues, with acceptance commencing February 2023. The delivery of four Vehicle Mounted Formation Nodes (VMFN) and eight Vehicle Mounted Unit Nodes (VMUN) to the Commonwealth was completed by Boeing Defence Australia Ltd in June 2023, which constitutes delivery of Materiel Release 7 under the Boeing Defence Australia Ltd Contract. The delivery of the final four VMFN, eight VMUN and one VMFN to the Commonwealth was completed in June 2023, which constitutes Materiel Release 8 under the Boeing Defence Australia Ltd Contract.

Defective GFM delayed Boeing Defence Australia Ltd delivery of HQOTM. This was rectified, and Boeing Defence Australia Ltd commenced delivery of the first HQOTM vehicles in November 2022 and completed the delivery of 16 vehicles by April 2023, meeting the contracted Release 3 System Maintenance Release Milestone.

The project scope for ground based TRES will be delivered via a separate LC4SPO acquisition project. The Tethered TRES project scope will not proceed following the conduct of risk reduction activities.

Materiel Capability/Scope Delivery Performance

Initial Materiel Release (IMR), as defined in the contract, was achieved by Boeing Defence Australia Ltd in December 2017, allowing the Capability Manager to declare IMR in February 2018. Achievement of Initial Operational Capability (IOC) was declared in March 2018.

The later than planned delivery of the I-BTN Release 3 VMN and the Release 3 System Maintenance Release HQOTM vehicles delayed the achievement of Final Materiel Release (FMR) from January 2023 to August 2023. Final Operational Capability (FOC) for I-BTN remains unchanged and is planned to be achieved in September 2023, noting that the final two HQOTM vehicles will be delivered under the support contract in the first half of 2024.

The project scope for ground based TRES will be delivered via an acquisition project known as the MRS. This acquisition is being conducted by LC4SPO using project funds. The tethered LC4SPO project scope will not proceed following the conduct of risk reduction activities.

Note

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

1.3 Project Context

Background

JNT2072 Phase 2B will enhance and modernise land force communications by replacing existing ADF deployable communication information systems. It will replace and enhance the existing BTN with an I-BTN.

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

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

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

- Release 1 is a transit case based capability with an initial level of functionality of the Network Planning and Management System. Commencement of delivery of Release 1 capability is aligned to achievement of IMR 1A.
- Release 2 is additional bearers and includes the Medium Mounted Satellite Communications capability, tropospheric scatter, External Network Access Point and an additional Currawong Network Edge Strategic to Tactical interface site.
- Release 3 includes VMN and the HQOTM node as well as secure voice and video services. Completion of delivery of Release 3 capability is aligned to achievement of FMR.

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

A performance based support contract was signed at the same time as the acquisition contract in September 2015 with Boeing Defence Australia Ltd. The support contract initially had a three-year term with rolling one-year extensions to a maximum of 12 years. The operative date of the support contract was 29 January 2018. As a consequence of Contract Change Proposal (CCP) 015, the introduction into service of equipment has been delayed resulting in an extension in support contract term of three to five years at a reduced yearly expenditure. The total saving over the five-year period is approximately $6.0 million. The support contract was transitioned to Battlespace Communications Operations Group in June 2018.

Uniqueness

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

Boeing Defence Australia Ltd is required to design and verify that the I-BTN provides end-to-end connectivity of specified BCS-L services from tactical environment into strategic network. Boeing Defence Australia Ltd is executing the project in three capability releases across seven years.

Boeing Defence Australia Ltd is developing both hardware and the network planning and management system software, as well as buying and integrating off-the-shelf equipment. Boeing Defence Australia Ltd is also required to integrate its system with existing satellite bearer systems and Information Technology systems that have been delivered by other projects within CASG and CIOG.

Major Risks and Issues

The project is managing the following issue:

- The delivery of the final two HQOTM vehicles will be delayed to the first half of 2024 due to the late delivery of GFM to Boeing

Defence Australia Ltd.

Other Current Related Projects/Phases

JNT2072 Phase 1, BCS-L. The initial phase of the JNT2072 program, this project has delivered communications bearers to the Battle Management System (BMS), and enhancing communications for ADF Land elements through the development of a holistic battlespace communications architecture for the Land environment.

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

JNT2072 Phase 3 – Battlespace Communications Systems – Land (BCS-L). This project will introduce into service a digital communication backbone for land based elements of the ADF and their enabling elements. The capability is aligned with LAND 75 Phase 4 as part of a second tranche of LAND 200 with the capability being a vital function of the BMS. This phase will enhance the digital communications backbone delivered under previous phases, expand the provisioning to additional land forces and ADF elements, and provide a new capability to support the distribution and data management of the land Battlespace.

JNT2072 Phase 1 – Battlespace Communications Systems – Land (BCS-L) and JNT2072 Phase 2A – Battlespace Communications Systems – Land (BCS-L). Delivered the initial TCN. The scope of JNT2072 Phase 2B includes interface of the I-BTN to the TCN.

Protected Mobility System Program Office (SPO). Coordination of the in-service management of Bushmaster Protected Mobility Vehicle (PMV) fleet (procured by LAND116) including configuration updates.

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

Note

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

Section 2 – Financial Performance[3]

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	$m		Notes
	Project Budget			
Oct 11	Original Approval	3.9		1
May 15	Government Second Pass Approval	911.8		2
	Total at Second Pass Approval		**915.7**	
Jun 23	Real Variation – Transfer	1.0		3
Jun 23	Exchange Variation		30.7	
Jun 23	**Total Budget**		**947.4**	
	Project Expenditure			
Prior to Jul 22	Contract Expenditure – Boeing Defence Australia Ltd	(672.6)		
	Contract Expenditure – Kellogg Brown and Root Pty Ltd	(23.4)		
	Other Contract Payments / Internal Expenses	(135.9)		4
			(831.9)	
FY to Jun 23	Contract Expenditure – Boeing Defence Australia Ltd	(46.5)		
	Contract Expenditure – Kellogg Brown and Root Pty Ltd	(3.4)		
	Other Contract Payments / Internal Expenses	(1.1)		5
			(51.0)	
Jun 23	**Total Expenditure**		**(882.9)**	
Jun 23	**Remaining Budget**		**64.5**	

Notes

1	The projects original budget amount prior to Second Pass Approval.
2	The total budget amount includes supplementary funding to JC4ISPO for the procurement of additional Enhanced Deployable Local Area Network (EDLAN) systems $126.0m.
3	Real Variation – Transfer of $1.0m represents remaining funds from Capital Facilities and Infrastructure Branch being returned to the Project.

Notice to reader

3. 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.

4	Other Contract Payments/Internal Expenses; EDLAN and EDLAN Information and Communication Technologies (ICT) Hardware and Software ($108.8), HQOTM ($18.0m), Travel ($3.9m), Technical Services ($2.4m), Other ICT Hardware & Other Equipment ($1.5m) and Legal Fees ($1.1m).
5	Other Contract Payments/Internal Expenses includes; Travel, Overheads, Admin, HQOTM ($0.5m), Technical Services ($0.4m) and Freight and Office Expenses ($0.2m).

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	Estimate Final Plan $m	Explanation of Materiel Movements
57.1	73.5	54.1	Portfolio Budget Statement (PBS) to Portfolio Additional Estimates Statement (PAES): Variation is due to reallocation of funds into FY 2023-24. This reallocation is due to active delays of equipment delivery, HQOTM Platform delays and unforeseen complexity of Risk Reduction Activities. PAES to Final Plan: Variation is due predominately to the FMR milestone moving into FY 2023-24 as part of CCP046 which was signed on 23 June 2023.
Variance $m	16.4	(19.4)	Total Variance ($m): (3.0)
Variance %	28.6	(26.4)	Total Variance (%): (5.3)

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan $m	Actual $m	Variance $m	Variance Factor	Explanation
		(3.1)	Australian Industry	The project has spent $51.0m in FY 2022-23 against a budget of $54.1m. The variance is due to a number of factors; delays to delivery of the I-BTN Release 3 VMN as a result of ongoing effects of COVID-19 supply chain issues. A later than planned delivery of I-BTN Release 3 System Maintenance Release HQOTM vehicles, where the production of the vehicles has been delayed due to defective GFM and the Tethered TRES procurement not proceeding as planned.
		-	Foreign Industry	
		-	Early Processes	
		-	Defence Processes	
		-	Foreign Government Negotiations/Payments	
		-	Cost Saving	
		-	Effort in Support of Operations	
		-	Additional Government Approvals	
54.1	51.0	**(3.1)**	**Total Variance**	
		(5.7)	**% 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			
Kellogg Brown and Root Pty Ltd (Integrated Support Contract)	Jul 15	9.6	28.3	Firm or Fixed	Standard Defence Contract	1
Boeing Defence Australia Ltd (I-BTN)	Sep 15	487.2	727.8	Firm or Fixed	Standard Defence Contract	2

Notes	
1	The increase in contract price is due to the extension of Integrated Support Contractor (ISC) services as part of CCP08, which increased the level of resources, required to assist in Materiel Release 2 and Materiel Release 3. Further price increase is due to the extension of this contract by 12 months as part of CCP10, and a further 12 months as part of CCP11.
2	The increase in the contract price is due to postponement caused by Defective GFM (Vehicle Batteries) that delayed the delivery of HQOTM vehicles, as part of CCP046.

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 23		
Kellogg Brown and Root Pty Ltd (Integrated Support Contract)	N/A	N/A	Range of ISC Services in support of the JNT2072 Phase 2B Project.	-
Boeing Defence Australia Ltd (I-BTN)	See scope	See scope	1 Force Node Vehicle Mounted. 8 Formation Nodes Vehicle Mounted. 18 Formation Nodes Transit Case. 16 Unit Nodes Vehicle Mounted. 21 Unit Nodes Transit Case. 23 Relay Nodes Transit Case. 2 Tactical Interface Stations. 16 HQOTM Nodes.	1, 2

Major equipment accepted and quantities to 30 Jun 23
1 Force Node Vehicle Mounted. 8 Formation Nodes Vehicle Mounted. 18 Formation Nodes / Man Portable Transit Case. 18 Formation Nodes / Man Portable Transit Case Upgrade.

16 Unit Nodes Vehicle Mounted. 21 Unit Nodes Man Portable / Transit Case. 21 Unit Node Man Portable / Transit Case Upgrade. 23 Relay Nodes Transit Case. 2 Tactical Interface Station. 35 Broadband Terrestrial Beyond Line Of Sight Transit Case. 24 Medium Mounted Satellite Terminal. 16 HQOTM Vehicles (See Note 2).

Notes	
1	The scope of the contract was varied under CCP015, in agreement with the Capability Manager, amending the number of required Tactical Interface Stations from four to three.
2	The scope of the contract was varied via CCP046, in agreement with the Capability Manager, amending the number of HQOTM vehicles from 18 to 16. Two further HQOTM vehicles will be delivered by the project via the I-BTN Contract (Support). It is planned that this delivery will be complete by mid-2024.

2.4 Australian Industry Capability

Summary
The project has no contracted Australian Industry Capability (AIC) targets for Boeing Defence Australia Ltd and Kellogg Brown and Root Pty Ltd as the contracts were signed in 2015, prior to the implementation of AIC targets, therefore there are no defined contractual targets.
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	System Requirements Review (SRR) Release 1,2	May 16	N/A	Mar 16	(2)	1
	System Definition Review (SDR) Release 1, 2	Jul 16	N/A	Mar 16	(4)	1
Preliminary Design	Release 1	Oct 16	N/A	Sep 16	(1)	-
	Release 2 and 3	Oct 17	Oct 18	Jul 18	9	2, 3
Detailed Design	Release 1	Dec 16	N/A	Nov 16	(1)	-
	Release 2	Jan 18	Feb 19	Dec 18	11	2
	Release 3	Mar 20	N/A	Nov 19	(4)	4
	Support System – Release 1	Nov 16	Feb 17	Dec 16	1	5
	Support System – Release 2	Jan 18	Mar 19	Feb 19	13	2
	Support System – Release 3	May 20	N/A	Dec 19	(5)	4
TRES Design	Tethered Aerial TRES	N/A	N/A	N/A	N/A	6

Notes	
1	SRR/SDR covered both Release 1 and Release 2. Project subsequently split Release 2 into Release 2 and Release 3 as part of CCP015; however, the approved SRR/SDR remained extant.
2	Release 2 was impacted by delays affecting interfacing projects and note this against all Note 2 delays.
3	Preliminary Design for Release 2 was completed in July 2018. Project subsequently split Release 2 into Release 2 and Release 3 as part of CCP015, with the approved Preliminary Design Review remaining extant.
4	Release 3 was introduced as part of CCP015 that replaced the need for EDLAN integration with an alternate Local Area network (LAN). This reduced reliance on delayed interfacing projects. Detailed Design Review for Release 3 was achieved earlier than planned as Boeing Defence Australia Ltd work towards target dates. All their artefacts were ready prior to contract date so Detailed Design Review for Release 3 was entered into and achieved early.
5	The Contract under CCP09 was amended to correct the sequencing of the Support System Detailed Design so it was logically scheduled to occur after the Mission System Detailed Design. Support System Detailed Design for Release 1 was achieved ahead of the current contract date.
6	Ground based TRES will be delivered via a separate acquisition activity. Tethered TRES will not be proceeded with – refer Section 4.1.

3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
System Integration	Release 1 Mission System Integration & Interoperability Verification	Jul 17	Dec 17	Dec 17	5	1
	Release 2 Mission System Integration & Interoperability Verification	Apr 19	May 20	Mar 20	11	1

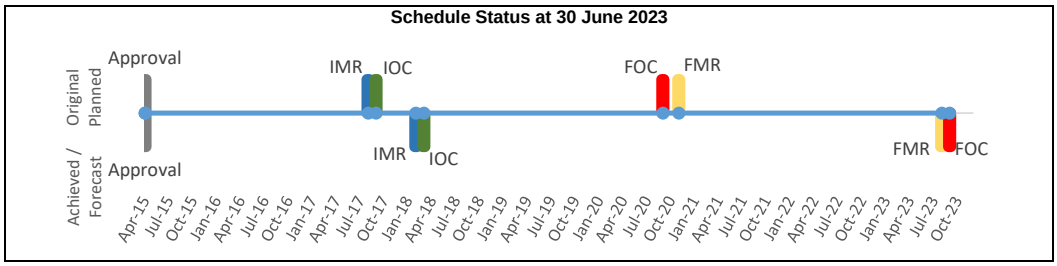
	Release 3 Mission System Integration & Interoperability Verification	Mar 21	N/A	Nov 21	8	2, 3
	TRES	N/A	N/A	N/A	N/A	4
Acceptance	System Acceptance – R1	Aug 17	Feb 18	Dec 17	4	1
	System Acceptance – R2	Jun 19	Jul 20	Apr 20	10	1
	System Acceptance – R3	May 21	Jan 22	Dec 21	7	2, 3
	System Acceptance – R3 SMR (HQOTM)	Jan 22	May 22	Aug 22	7	5
	Final Acceptance (FA) - Acquisition Contract	Feb 21	Feb 23	Aug 23	30	2, 3
	TRES	N/A	N/A	N/A	N/A	4

Notes	
1	Release 2 expands the capability of Release 1, and has been impacted by delays affecting interfacing projects
2	Release 3 was introduced as part of CCP015 that replaced the need for EDLAN integration with an alternate LAN. This reduced reliance on delayed interfacing projects.
3	The movement of schedule due to CCP039 (COVID-19 Delay) resulted in a change to these dates and is reflected in Materiel Acquisition Agreement (MAA) V2.3.
4	Ground based TRES will be delivered via a separate acquisition activity. Tethered TRES will not be proceeded with – refer Section 4.1.
5	Delay due to safety Report On Defective or Unsatisfactory Materiel (RODUM).

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
I-BTN	N/A	N/A	-	-
Initial Materiel Release (IMR) 1A	Aug 17	Feb 18	6	1
I-BTN Initial Operational Capability (IOC)	Sep 17	Mar 18	6	1
(Release 1) Materiel Release 1	Oct 17	May 18	7	2
(Release 1) Materiel Release 2	May 18	Dec 18	7	2
(Release 1) Materiel Release 3	Oct 18	Apr 19	6	2
(Release 2) Materiel Release 5	Dec 19	May 21	18	1, 2
(Release 2) Materiel Release 6	Oct 20	Apr 22	18	1, 2, 3
(Release 3) Materiel Release 7	Nov 21	Jul 23	19	1, 2, 3
(Release 3) Materiel Release 8	Mar 22	Jul 23	14	1, 2, 3
I-BTN Final Materiel Release (FMR)	Nov 20	Aug 23	33	2, 3
DLAN Hardware Release	Jul 18	Jun 19	12	4
TRES Materiel Release	N/A	N/A	N/A	5
I-BTN Final Operational Capability (FOC)	Sep 20	Sep 23	36	6

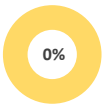
Notes	
1	Due to delays incurred to date with interfacing projects, alternative interim interface requirements for Release 1 were implemented and resulted in a six month slip to IMR 1A and IOC I-BTN. This delay resulted in reallocation of Release 2 equipment into Material Release 5, introduced Material Release 6, and removed Materiel Release 4. CCP15 introduced Release 3 (Materiel Releases 7 and 8) to remove the requirement to integrate I-BTN with EDLAN. There was a resultant slip to FMR of 16 months to forecast date. Materiel Releases 5 and 6 have been delivered. Materiel Releases 7 and 8 were subject to vendor delays. Boeing Defence Australia Ltd has delivered Materiel Release 7 and Materiel Release 8 equipment to the Commonwealth in June 2023. Delivery of equipment from Commonwealth to Army is yet to be finalised and is forecast for July 2023.
2	Materiel Release (Release 1, Release 2, Release 3) milestones will be achieved when the units receiving the capability sign the unit acceptance certificate. This variance is dependent on unit availability to conduct the unit test activity.
3	The movement of schedule due to COVID-19 related delays has resulted in a change to these dates to be reflected in the next endorsed MAA.
4	Integration between EDLAN and the I-BTN is no longer required. Army has endorsed the declaration of the DLAN Hardware Release milestone, as no further work will be undertaken due to the I-BTN system no longer being required to integrate with the EDLAN system.
5	Ground based TRES will be delivered via a separate acquisition activity. Tethered TRES will not be proceeded with – refer Section 4.1.
6	The FOC date has changed due to extension of project schedule as a result COVID-19 related delays. The project has conducted workshops with the Capability Manager to assist in identifying a new FOC date. The Capability Manager has advised government of the revised FOC date of September 2023.



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 is currently meeting the majority of capability requirements as expressed in the MAA and supporting suite of Capability Definition Documentation.
	**Amber:** N/A
	**Red:** This relates to the JNT2072 Phase 2B ground based and Tethered TRES scope. The project scope for ground based TRES will be delivered via an acquisition project known as the MRS. This acquisition is being conducted by Land C4 LC4SPO using project funds. The Tethered TRES project scope will not proceed following the conduct of risk reduction activities. The scope of the contract was varied via CCP046, in agreement with the Capability Manager, amending the number of HQOTM vehicles from 18 to 16. Two further HQOTM vehicles will be delivered by the project via the I-BTN Contract (Support). It is planned that this delivery will be complete by mid-2024. FOC will be declared with a caveat that the two remaining HQOTM vehicles will be delivered via the I-BTN sustainment program (funded by JNT2072 Phase 2B).

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

4.2 Constitution of Materiel Release and Operational Capability Milestones

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

	• All introduction into service training is completed and approved Learning Management Plans for sustainment training delivered to Army. • Mature Support Contract in place including delivery of Data Transfer Equipment. • Delivery of Hand Held Satellite Terminal.	
Final Operational Capability (FOC)	The provision, support and training of the I-BTN to all Army and Air Force in accordance with the Basis of Issue. Scope includes: • One Force Node Vehicle Mounted. • Eight Formation Nodes Vehicle Mounted. • 18 Formation Nodes Transit case. • 16 Unit Nodes Vehicle Mounted. • 21 Unit Nodes Transit Case. • 23 Relay Nodes Transit Case. • Three Tactical Interface Stations. • 16 HQOTM nodes.	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 COVID-19 may still impact project milestones within current schedule time frames.	For FY 2022-23, COVID-19 continued to impact global supply chains and impacted Boeing Defence Australia Ltd's delivery schedule of I-BTN Release 3 Man Portable and VMN Nodes. By March 2023, the impact of COVID-19 had diminished. Boeing Defence Australia Ltd completed the delivery of I-BTN Release Man Portable Nodes. The delivery of VMN will be completed by August 2023. The delivery of HQOTM vehicles is complete. The project is no longer impacted by COVID-19. This risk has been retired.
2	There is a risk that FOC and project closure will be impacted due to the lack of Integrated Logistic Support (ILS) APS5 level practitioners since October 2021.	The project has sufficient ILS staff to support FOC and project closure. This risk has been retired.
3	There is a risk that the TRES capability may delay project FMR.	Boeing Defence Australia Ltd has proposed a tethered drone solution to meet Army's TRES requirements. The project has entered into a Risk Reduction activity via Survey and Quotation 21 in order to understand the technical and schedule risks. Army determined that it would not proceed with the Tethered TRES due to reasons of technical risk, changes to its operational needs and overall value for money considerations. Army also determined that the scope of JNT2072 Phase 2B for Ground Based TRES would be met by the MRS solution being procured by Land C4 LC4SPO of CASG. JNT2072 Phase 2B project funds will be used for part of this procurement. The severity of the risk has been reduced from High to Medium as a result of updated scope delivery requirement.
Emergent Risks (risk not previously identified but has emerged during 2022–23)		
Ref#	Description	Remedial Action
1	N/A	N/A

5.2 Major Project Issues

Ref#	Description	Remedial Action
1	COVID-19 has impacted on completion of project tasks and milestones within current schedule time frames, the risk to the September 2023 FOC date is being monitored. There is a risk that restrictions related to COVID-19 will impact the completion of project tasks and milestones within current schedule time frames, this resulting in an inability to meet the current FOC date.	For FY 2022-23, COVID-19 continued to impact global supply chains and impacted Boeing Defence Australia Ltd's delivery schedule of I-BTN Release 3 Man Portable and VMN. By March 2023, the impact of COVID-19 had diminished. Boeing Defence Australia Ltd completed the delivery of I-BTN Release Man Portable Nodes. The delivery of VMN will be completed by August 2023. The delivery of HQOTM vehicles is complete. The project is no longer impacted by COVID-19. This issue has been retired.
2	Project Engineering Team may be unable to exercise the expected level of engineering rigour for Verification and Validation activities due to a lack of adequate engineering resources.	In FY 2022-23, the project and Boeing Defence Australia Ltd have completed I-BTN Release 3 System Acceptance and also I-BTN Release 3 System Maintenance Release (HQOTM) System Acceptance. The project has sufficient engineering workforce to support the project until project closure. This Issue has been retired.

3	Contract milestones for R3 SMR (HQOTM) will not be met due to safety RODUM delaying Boeing Defence Australia Ltd's production and subsequent delay to training.	In September 2022, an interim battery solution was identified and batteries were subsequently fitted to the HQOTM vehicles at Boeing Defence Australia Ltd, in order that the production of HQOTM vehicles could recommence. In February 2023, repaired, production batteries were fitted to the HQOTM vehicles. As at May 2023, quantity 16 HQOTM vehicles have been delivered by Boeing Defence Australia Ltd. This issue has been retired.
4	Delivery of the HQOTM vehicles Army units is delayed due to vehicle servicing and maintenance issues.	Thales Australia Ltd manages the servicing of the HQOTM vehicles whilst it is conducting other, higher priority, task, for Defence including the preparation of Bushmaster vehicles for the Ukraine and United Nations. The delivery of the first two vehicles to Army was delayed, however subsequent deliveries are occurring on time. The project, Army, Boeing Defence Australia Ltd and Thales Australia Ltd monitor this issue closely. The final HQOTM vehicles (quantity 16 of 18) were delivered to Army 27 June 2023. This issue has been retired.
5	The delivery of the final two HQOTM vehicles will be delayed to the first half 2024 due to the late delivery of GFM to Boeing Defence Australia Ltd.	The PMV – Medium (Bushmaster) vehicle on which the HQOTM is based is subject to an engineering change for a new power management system. This engineering change will now not be finalised until first half 2024 delaying delivery of the vehicles to Boeing Defence Australia Ltd which then delays the production and delivery of the final two HQOTM vehicles. JNT2072 Phase 2B will continue to work closely with the Bushmaster vehicle contractor, Thales Australia Ltd, and Boeing Defence Australia Ltd to minimise the impact of this issue.

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 related to Contract Management, First of Type Equipment, Schedule Management, Governance, and Requirements Management. 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 – Lessons identified. Collaborative engagement by the Contractor, CASG and the Capability Manager has resulted in better outcomes for the delivered capability.	Requirements Management
Lesson Type – Insights. Contracting for a performance based support contract at the same time as the acquisition contract results in better design decisions during the acquisition contract.	Contract Management
Lesson Type – Observation. User engagement during the Mission System Integration Test Events has resulted in an improved capability by early user engagement during the design phase. This also leads to improving the management of user expectations.	Requirements Management

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2023

Unit	Name
Division	Joint Systems Division
Branch	Land C4 Systems