Project Data Summary Sheet[1]

Project Number	**SEA1448 Phase 4B**
Project Name	**ANZAC AIR SEARCH RADAR REPLACEMENT**
First Year Reported in the MPR	2018-19
Capability Type	Replacement
Capability Manager	Chief of Navy
Government 1st Pass Approval	Mar 15
Government 2nd Pass Approval	Jun 17
Budget at 2nd Pass Approval	$427.8m
Total Approved Budget (Current)	$429.5m
2022–23 Budget	$25.6m
Complexity	ACAT I

Section 1 – Project Summary

1.1 Project Description

SEA1448 Phase 4B is replacing the eight SPS-49(V) Air Search Radar on the eight Anzac Class Frigates with a modern digital Long Range Air Search Radar. The project will also replace the existing Identification Friend or Foe (IFF) system with a new system. By replacing the existing air search radar and IFF system, the project will deliver an integrated and supportable modern Long Range Air Search Capability (LRASC) into the Anzac Class Frigates.

1.2 Current Status

Cost Performance

In-year

As at 30 June 2023, the project had underspent by $10.0m (39%). The underspend was predominately due to Anzac Midlife Capability Assurance Program (AMCAP) schedule installation delays in His Majesty's Australian Ships (HMAS) *Stuart* resulting in some tasks being rescheduled to future years. The project achieved the milestones aligned with AMCAP.

Project Financial Assurance Statement

As at 30 June 2023, SEA1448 Phase 4B has reviewed the approved scope and budget for those elements required to be delivered by Defence. 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 remaining for the project to complete against the agreed scope.

Contingency Statement

The project has not applied contingency in the Financial Year (FY) 2022-23.

Schedule Performance

The project has progressed through the Design phases and is now within the Delivery phase. The first mast was installed on HMAS *Arunta* in December 2018 and Sea Acceptance Trials were completed in February 2020, with all reports delivered in Quarter 2, 2020. In March 2020, Government was advised of a schedule review with industry that determined an additional 26 weeks was critical to the AMCAP realisation across the class. The schedule for ship availability to replace the Long Range Air Search Radar (LRASR) and integrated IFF system was amended as a consequence but did not affect the SEA1448 Phase 4B Final Operating Capability (FOC) date.

Initial Operating Capability (IOC) was delayed from the original planned date due to the complexities in achieving United States IFF certification requirements. Additionally, COVID-19 international travel restrictions prevented United States IFF certification authorities from participating in certification activities as originally planned. Rescheduled certification activities concluded in October 2020. Notification of IFF certification was achieved in April 2021. IOC was achieved in July 2021.

Materiel Release 2 (MR2) for the third ship installation in HMAS *Warramunga* was achieved in November 2021. Materiel Release 3 (MR3) for the fourth ship, HMAS *Perth*, commenced Sea Acceptance Trials in February 2022 and MR3 was achieved in November 2022. MR3 was accepted with three extant issues, one of which has been resolved and two are outstanding. Note: Materiel Release refers to individual ship installations, commencing with MR1 for second ship installation.

Final Materiel Release (FMR) and FOC will be delayed owing to delays in the AMCAP refit schedule.

Materiel Capability/Scope Delivery Performance

The project expects to deliver eight modern digital air search radars with integrated IFF system in the Anzac Class Frigates. The first mission system ship set capability with associated support systems was scheduled for acceptance in Quarter 1, 2021 dependent on IFF certification.

Initial Materiel Release (IMR) was split into two IMRs. The first release enabled the project to support acceptance of the radar to

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.

enable the Royal Australian Navy (RAN) to utilise the capability on HMAS *Arunta*, realign the CEA Technologies Pty Ltd payment schedule and commence the warranty period. The second release was aligned with IFF certification being sufficiently completed. IMR1 was declared December 2020 and IMR2 was declared in April 2021.

IOC was declared in July 2021. MR2 was the first release after declaration of IOC, and was declared in November 2021. MR2 for the third ship installation in HMAS *Warramunga* was achieved in November 2021.

The fourth ship, HMAS *Perth*, commenced Sea Acceptance Trials in February 2022 and MR3 was achieved in November 2022. Additionally, there has been a minor increase in scope relating to the CEA Phased Array Radars (PAR) simulator for Onboard Ship Training Systems (OBTS) and for the Combat System Tactical Trainer at HMAS *Watson*.

Note

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

1.3 Project Context

Background

Government at Gate 1 (March 2015) was presented multiple options including Developmental and Militarily-Off-The-Shelf (MOTS) options, with the MOTS approach based on an upgraded variant of AN/SPS-49(V) not progressing further as it did not resolve the obsolescence issues. Government did approve Defence's proposal to select CEA Technologies Pty Ltd as the sole Australian supplier of PAR to replace long-range air search radar using the developmental technology successfully installed under SEA1448 Phase 2A and 2B Anti-Ship Missile Defence (ASMD) programs. This solution provided a three-dimensional PAR with six fixed faces and an integrated IFF capability. Industry participants of the Anzac Warship Asset Management Agreement (WAMA) (previously Anzac Ship Integration Materiel Support Program Alliance) are undertaking the Mission System Integrator role. The project adopted the Smart Buyer Framework proceeding to Gate 2 approval throughout the 2016-17 period. In November 2016, Government approved early access to Acquisition Phase funding which enabled the project to progress a number of time-critical activities prior to Second Pass Approval. This allowed the project to maintain schedule and effectively mitigate 2016-17 schedule risks (subsequently retired) identified during Smart Buyer process. These activities included advanced material purchases for CEA Technologies Pty Ltd and BAE Systems Australia Ltd to commence mast production. At Gate 2 (June 2017), Government approved Defence's proposal to be the prime integrator for LRASC, and for the project to have overall responsibility for procuring and managing final Mission System key components. The integration of the LRASR and IFF system into the Anzac platform and Combat Management System (CMS) are delivered under the Anzac WAMA. Acquisition of supporting equipment and services are being delivered under Foreign Military Sales (FMS). Production timings and integration of the mission system(s) into the Anzac Class is driven by the AMCAP schedule, managed by the Anzac System Program Office.

Uniqueness

The CEA Technologies Pty Ltd PAR technology on which SEA1448 Phase 4B is based is considered to be a Strategic Industry Capability. The acquisition of which will ensure the RAN has regionally superior technology into the future. The IFF system will be integrated into the PAR faces. This is a world leading technological step to have the IFF interrogator integrated into the PAR faces without a secondary system requirement.

Major Risks and Issues

The risks the project faces are:

- The project delivery schedule will be affected by a delay in the acceptance of capability by Navy.
- The Air Traffic Control Beacon System Identification Friend or Foe Military Secure (AIMS) Box and Platform level certified software will be impacted by the rectification of deficiencies identified by AIMS. This risk has been retired as IFF certification has been achieved.
- CEA Technologies Pty Ltd data being passed from Commonwealth to Commonwealth interrelated projects may lead this information being disclosed to a non-authorised recipient.

The issues the project faces are:

- Materiel Releases IMR1, IMR2, MR2 and MR3 were achieved with exceptions relating to outstanding electromagnetic testing and delivery of the Integrated Logistics Support (ILS) matrix.
- There is a likelihood that the project schedule will be affected by an insufficient Commonwealth workforce leading to an impact on program performance.
- There are no risks categorised above Medium / Low for the project currently.

Other Current Related Projects/Phases

The deliverables provided by SEA1448 Phase 4B have been incorporated into the overall AMCAP schedule. The AMCAP involves a suite of upgrades to the Anzac platform being delivered by multiple projects, of which SEA1448 Phase 4B is one. Delays or issues with other AMCAP projects can delay the schedule of SEA1448 Phase 4B.

The AMCAP projects consist of:

- **SEA1448 Phase 4A** – **Anzac Electronic Support System Improvements**. This Phase delivered a contemporary Electronic Support Measures system as part of the ASMD upgrade program and is being re-installed under the SEA1448 Phase 4B program.
- **SEA1442 Phase 4** – **Maritime Communications Modernisation**. This Phase will upgrade the communication capability in the eight Anzac Class Frigates and address communications system obsolescence in the Anzac Class.
- **Anzac Platform System Remediation (PSR) Program.** The PSR will see the upgrade of on-board systems that includes ventilation, the propulsion control system to improve power and efficiency, waste management and water production systems.

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			
Oct 13	Original Approved	3.0		1
Jun 14	Real Variation – Scope	5.9		2
Mar 15	Government First Pass Approval	45.2		3
Jan 17	Real Variation – Scope	20.4		4
Aug 17	Government Second Pass Approval	353.3		
	Total at Second Pass Approval		**427.8**	
Jun 23	Exchange Variation		1.7	
Jun 23	**Total Budget**		**429.5**	
	Project Expenditure			
Prior to Jul 22	Contract Expenditure – CEA Technologies Pty Ltd	(161.7)		
	Contract Expenditure – WAMA	(140.5)		
	Other Contract Payments / Internal Expenses	(29.1)		5
			(331.4)	
FY to Jun 23	Contract Expenditure – CEA Technologies Pty Ltd	(8.3)		
	Contract Expenditure – WAMA	(6.7)		
	Other Contract Payments / Internal Expenses	(0.6)		5
			(15.6)	
Jun 23	**Total Expenditure**		**(346.9)**	
Jun 23	**Remaining Budget**		**82.5**	

Notes	
1	The project's original approved budget was the amount received for project initiation prior to Government Second Pass Approval.
2	To advance the L-PAR Risk Reduction Program.
3	Government First Pass approval to advance the progress of the risk reduction program to Gate 2.
4	Early release of funding to commence activities in advance of Gate 2 Approval.
5	Other Contract Payments/Internal Expenses comprise of FMS payments, operating expenditure and other capital expenditure not attributable to the listed contracts.

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	Estimate Final Plan $m	Explanation of Material Movements
23.1	26.7	25.6	Portfolio Budget Statement (PBS) to Portfolio Additional Estimates Statement (PAES): The variation is mainly due to reprogramming of $2.8m underspend in 2021-22 ($2.0m in CEA Technologies Pty Ltd milestones and $0.8m in FMS cases) to FY 2022-23 and $0.5m increase in CEA Technologies Pty Ltd contract via a Contract Change Proposal (CCP). PAES to Final Plan: The variation is mainly due to the budget reprogramming to FY 2024-25 and 2025-26.
Variance $m	3.6	(1.2)	Total Variance ($m): 2.4
Variance %	15.6	(4.3)	Total Variance (%): 10.6

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan $m	Actual $m	Variance $m	Variance Factor	Explanation
		(9.7)	Australian Industry	SEA1448 Phase 4B Anzac Air Search Radar Replacement underspend was predominately due to AMCAP schedule installation delays in HMAS *Stuart* resulting in some tasks being rescheduled to future years.
		(0.3)	Foreign Industry	
		-	Early Processes	
		-	Defence Processes	
		-	Foreign Government Negotiations/Payments	

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.

		-	Cost Saving	
		-	Effort in Support of Operations	
		-	Additional Government Approvals	
25.6	15.6	**(10.0)**	**Total Variance**	
		(39.0)	**% 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			
WAMA	Aug 17	136.1	152.9	Variable with Pain/ Gain Share	Alliance	1, 2
CEA Technologies Pty Ltd	Sep 17	166.6	165.5	Fixed with indices escalation	Standard Defence Contract	2, 3

Notes	
1	WAMA consists of Commonwealth of Australia, BAE Systems Australia Ltd, Saab Australia Pty Ltd and Naval Ship Management (Australia) Pty Ltd. The primary industry partners for SEA1448 Phase 4B tasking is BAE Systems Australia Ltd and Saab Australia Pty Ltd.
2	Contract value as at 30 June 2023 is based on actual expenditure to 30 June 2023 and remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable).
3	SEA1448 Phase 4B contract execution date is official order under the Head Contract DMO/ESD/00297/2013 Standing Offer for PAR Development Services, executed 30 October 2013. The CCP reduced the contract price by removing the performance security as the technology had been demonstrated.

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 23		
WAMA	8	8	Mast, Ship Systems and integration	-
	8	8	CMS upgrades and integration	-
CEA Technologies Pty Ltd	1	1	Qualification and Verification System	-
	8	8	Mission System Ship Sets	-
	2	2	Depot Spare Systems	-
	4	8	Training Simulators	1

Major equipment accepted and quantities to 30 Jun 23

As at 30 June 2023, the fourth ship installation HMAS *Perth* (MR3) has been fully accepted (which includes aft mast installation, integration, Harbour Acceptance Trials and Sea Acceptance Trials). Ships accepted are HMAS *Arunta*, HMAS *Anzac*, HMAS *Warramunga* and HMAS *Perth*.

Notes	
1	CEA Technologies Pty Ltd CCP was accepted to modify the number of training simulators from four to eight to support the training requirements solution put forward by the WAMA.

2.4 Australian Industry Capability

Summary

The project has contracted Australian Industry Capability (AIC) targets based on Local Industry Capability which is captured in CEA Technologies Pty Ltd and Saab Australia Pty Ltd's AIC Plans across the areas of manufacturing, project management, engineering, ILS and training material.

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	CEA Technologies Pty Ltd Radar System Performance Specification	N/A	N/A	Aug 17	N/A	-
Preliminary Design	Mast	N/A	N/A	Apr 17	N/A	1
	Platform	N/A	N/A	Sep 17	N/A	1
	Whole of Ship	N/A	N/A	Nov 17	N/A	1
Critical Design	Mast	N/A	N/A	Sep 17	N/A	1
	Platform	N/A	N/A	Jun 18	N/A	1
	Whole of Ship	N/A	N/A	Jun 18	N/A	1

Notes	
1	Original Planned dates for completion of Preliminary and Critical Design activities not disclosed within the Integrated Master Schedule as these dates were determined prior to Second Pass Approval.

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	HMAS *Arunta* – Category (Cat) 1 (Factory Acceptance Testing)	Nov 18	N/A	Apr 19	5	1
	HMAS *Arunta* – Cat 2 (Environmental Qualifications) and Cat 3 (Integration)	Jan 19	May 20	Jul 20	18	2, 3
	HMAS *Arunta* – Cat 4 (Harbour Acceptance Trials)	Feb 19	N/A	Oct 19	8	4
	HMAS *Anzac* – Cat 4 (Harbour Acceptance Trials)	Aug 19	N/A	May 20	9	4, 5
	HMAS *Warramunga* – Cat 4 (Harbour Acceptance Trials)	Jul 20	Mar 21	Jun 21	11	-
	HMAS *Perth* – Cat 4 (Harbour Acceptance Trials)	Dec 20	Dec 21	Feb 22	14	4
	HMAS *Toowoomba* – Cat 4 (Harbour Acceptance Trials)	Nov 21	Delayed from Jul 22	Delayed from Oct 22	Not for Publication (NFP)	4
	HMAS *Stuart* – Cat 4 (Harbour Acceptance Trials)	May 22	Delayed from Feb 23	Delayed from Mar 23	NFP	4
	HMAS *Ballarat* – Cat 4 (Harbour Acceptance Trials)	Feb 23	Delayed from Aug 23	Delayed from Jun 23	NFP	4
	HMAS *Parramatta* – Cat 4 (Harbour Acceptance Trials)	Aug 23	Delayed from Mar 24	Delayed from Apr 24	NFP	4
Acceptance	HMAS *Arunta* – Cat 5 (Sea Acceptance Trials)	Sep 19	N/A	Mar 20	6	4
	HMAS *Anzac* – Cat 5 (Sea Acceptance Trials)	May 20	N/A	Oct 20	5	4, 5
	HMAS *Warramunga* – Cat 5 (Sea Acceptance Trials)	Feb 21	May 21	Jul 21	5	4
	HMAS *Perth* – Cat 5 (Sea Acceptance Trials)	Sep 21	Mar 22	Apr 22	7	4
	HMAS *Toowoomba* – Cat 5 (Sea Acceptance Trials)	Jun 22	Delayed from Sep 22	Delayed from Nov 22	NFP	4
	HMAS *Stuart* – Cat 5 (Sea Acceptance Trials)	Dec 22	Delayed from May 23	Delayed from May 23	NFP	4
	HMAS *Ballarat* – Cat 5 (Sea Acceptance Trials)	Oct 23	Delayed from Sep 23	Delayed from Aug 23	NFP	4
	HMAS *Parramatta* – Cat 5 (Sea Acceptance Trials)	Apr 24	Delayed from Apr 24	Delayed from Apr 24	NFP	4

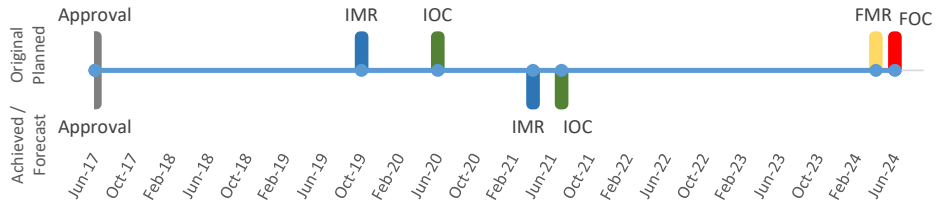
Notes	
1	A manufacturing delay with CEA Technologies Pty Ltd resulted in the Factory Acceptance Testing from November to December 2018. Test Reports were accepted in April 2019.
2	CEA Technologies Pty Ltd CCP approved the delay in which CEA Technologies Pty Ltd are to obtain Environmental Qualification for the LRASR.
3	Cat 3 integration activities completed in May 2019. Acceptance of Cat 3 reports occurred in September 2019. The Cat 2 test results received in July 2020. This delay was caused by the limited number of appropriately certified third party test facilities and longer than anticipated test durations.
4	Delays in the AMCAP schedule have delayed acceptance trials and are reflected in Materiel Acquisition Agreement (MAA) version 5.
5	HMAS *Anzac* Cat 4 testing undertaken in April 2020, with acceptance of the test reports in May 2020.

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release 1 (IMR1)	Oct 19	Dec 20	14	1, 2, 3, 4, 5
Initial Materiel Release 2 (IMR2)	Mar 21	Apr 21	1	2, 3, 4, 5
Initial Operational Capability (IOC)	Jun 20	Jul 21	13	1, 4
Final Materiel Release (FMR)	Apr 24	Delayed from Apr 24	0	4, 6
Final Operational Capability (FOC)	Jun 24	Delayed from May 24	(1)	7

Notes	
1	IMR and IOC dates are dependent on IFF certification, which was impacted by COVID-19 travel restrictions.
2	IMR1 with radar acceptance occurred December 2020 and IMR2 IFF certification was completed by April 2021.
3	Delays in the AMCAP schedule for HMAS *Arunta* and HMAS *Anzac* has resulted in delays to Cat 4 and Cat 5.
4	These milestone definitions are aligned with Section 4.2.
5	MR3 was achieved with three exceptions, one of these exceptions have been resolved and two are ongoing. These exceptions include consideration to exceptions identified in IMR1 and IMR2. Current issues are in Section 5.2 of this PDSS.
6	Delay is due to alignment with ship availability and the testing milestones in Section 3.2.
7	Delays to the AMCAP schedule have resulted in FOC delayed until NFP and is reflected in MAA version 5.

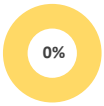
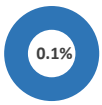
Schedule Status at 30 June 2023



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 is currently meeting capability requirements as expressed in the Joint Project Directive and MAA.
	**Amber:** N/A
	**Red:** N/A
	**Blue:** CCP resulted in a minor increase in scope relating to the CEA PAR simulator for OBTS and additionally for the HMAS *Watson* training simulator. This increase accounts for 0.4% of the total budget.

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 (IMR1)	Integration of one Air Search Radar and partial IFF system into the first ship, including installation of a new aft-mast and reinstallation of all extant systems. Delivery of on-board spares and training packages. Establishment of Initial Support Contracts for both Radar and Integration.	Achieved with exceptions
Initial Materiel Release (IMR2)	Integration of one Air Search Radar and full IFF system into the second Anzac Class Frigate, including installation of a new aft-mast and reinstallation of all extant systems. Delivery of on-board spares.	Achieved with exceptions
Initial Operational Capability (IOC)	Installation of equipment onto ships completed to date, development of operator and maintainer training package and initial package completed, tactical doctrine updated, completion of acceptance trials on the first ship completed, and the logistics support arrangements in place.	Achieved
Final Materiel Release (FMR)	Integration of one Air Search Radar and IFF system into the final ship. Delivery of all outstanding logistic documentation. Delivery of a support system. Final delivery of on-board spares and depot spares.	Not yet Achieved
Final Operational Capability (FOC)	Installation of equipment onto all ships is complete, training facilities have been set to work, operator and maintainer trainer is in a steady state, tactical doctrine is mature, full logistics support arrangements are in place, establishment and other Fundamental Inputs to Capability arrangements are complete.	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 likelihood that the project delivery schedule will be affected by a delay in the acceptance of capability by Navy leading to an impact on both schedule and reputation.	To advise all key stakeholders of delays and request assistance as required. This risk was downgraded from initial High to Low, which is the current assessed level, as the previous delays to the AMCAP schedule and subsequent delay to all remaining major milestones, including FMR and FOC are all now reflected in MAA version 5.
2	There is a likelihood that the recipients of CEA Technologies Pty Ltd data being passed from Commonwealth to Commonwealth interrelated projects may lead this information being disclosed to a non-authorised recipient, who may inadvertently expose the data therefore impacting sovereign capability leading to an impact on cost, schedule and reputation.	Limit access to data through the application of the Defence records management policy. This risk was downgraded from initial High to Low as the project is mature with robust security measures established.
3	There is a likelihood that the AIMS Box and Platform level certified software will be impacted by the rectification of deficiencies identified by AIMS leading to an impact on engineering approvals, cost and schedule of follow-on ships using the updated certified software.	The United States Air Traffic Control Radar Beacon System Identification Friend or Foe Mark XIIA Electronic Identification System Program Office is the IFF certification authority. Maintain software at baseline approved by AIMS until software rectification has been made, tested and evidence provided to AIMS, and is certified by AIMS for installation. This risk has now been retired with AIMS certification having been achieved.
Emergent Risks (risk not previously identified but has emerged during 2022–23)		
Ref#	Description	Remedial Action
	N/A	

5.2 Major Project Issues

Ref#	Description	Remedial Action
1	IMR2 was achieved with four exceptions. Two of the three exceptions address Electromagnetic Interference (EMI) testing and delivery of the final ILS matrix.	The ILS matrix has been delivered and accepted – the EMI /Electromagnetic Compatibility (EMC) testing is now progressing and scheduled to complete by July 2023.
2	MR2 was achieved with two exceptions. These exceptions, relating to EMI testing and the final ILS matrix.	The ILS matrix has been delivered and accepted – the EMI /EMC testing is now progressing and scheduled to complete by July 2023.

3	There is a likelihood that the project schedule will be affected by an insufficient Commonwealth workforce leading to an impact on program performance.	The most likely cause of this risk is slow recruitment and/or poor retention, to which the team is governed by standard processes and no additional mitigation strategies can be applied (other than the creation of a positive working environment). This issue was downgraded to Low in early 2023 as extension of the AMCAP refit schedule under MAA version 5 has significantly reduced the potential impact.
4	MR3 was achieved with two exceptions. These exceptions, relating to EMI testing and the final ILS matrix.	The ILS matrix has been delivered and accepted – the EMI/EMC testing is now progressing and scheduled to complete by July 2023.

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 Capability Acquisition and Sustainment Group 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 five lessons related to Requirements Management, First of Type Equipment, Schedule Management, and Governance. Three project lessons are provided below (note this does not include all project lessons):	The project has not categorised any of its lessons information as a whole-of-Defence Lesson Learned.
Lesson Type – Observation. Understanding of certification authority test requirements to ensure sufficient resources, facilities and personnel can be scheduled to minimise the chance of delays.	Schedule Management
Lesson Type – Observation. Understanding of Operational Security requirements prior to the development of the acceptance program to minimise the chance of delays.	Requirements Management
Lesson Type – Observation. Improved project assurance and governance oversight requirements, due to the uniqueness of the CEA Technologies Pty Ltd technology, has necessitated a non-traditional approach to requirements specification and acceptance.	Governance

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2023

Unit	Name
Division	Maritime Sustainment Division
Branch	Director General Major Surface Ships