Project Data Summary Sheet

Project Number	**SEA1442 Phase 4**
Project Name	**MARITIME COMMUNICATIONS MODERNISATION**
First Year Reported in the MPR	2014-15
Capability Type	Upgrade
Capability Manager	Chief of Navy
Government 1st Pass Approval	Dec 10
Government 2nd Pass Approval	Jul 13
Budget at 2nd Pass Approval	$385.6m
Total Approved Budget (Current)	$443.2m
2024–25 In-year Budget	$20.3m
Complexity	ACAT II

Section 1 – Project Summary

1.1 Project Description

SEA1442 Phase 4 will upgrade the communications capability in the eight Anzac Class Frigates and address communications system obsolescence in the class, by modernising it with improved communications management, secure voice and tactical intercom, red/black switching, tactical radios and a High Data Rate line-of-sight capability. The project will also deliver support systems, a secondary Maritime Tactical Wide Area Network (MTWAN) Shore Gateway and upgrade the Anzac Combat System Trainer Communications Terminals.

1.2 Current Status

Cost Performance

In-year

As at 30 June 2025, Financial Year (FY) 2024-25 expenditure was $21.8m against FY 2024-25 budget of $20.3m. The overspend was primarily due to an increase in a contractual payment to the Prime Contractor, Leonardo UK Ltd.

Project Financial Assurance Statement

As at 30 June 2025, SEA1442 Phase 4 has reviewed the projects 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 spent contingency in FY 2024-25.

Schedule Performance

Detailed Design Review (DDR) was delayed by four months due to delay in completion of design activities by the contractor which resulted in liquidated damages being invoked during the FY 2016-17 and accepted by the Commonwealth of Australia (CoA) in the form of additional goods and services provided by the contractor.

Training System (TS) and Shore Integration Test Facility (SITF) acceptance occurred in November 2019, with seven ship mission systems accepted to date; in April, July and September 2021; July 2022, March and November 2023; and, November 2024.

The SEA1442 Phase 4 delivery and installation schedule has been aligned to the Anzac Midlife Capability Assurance Program (AMCAP) scheduling and the availability dates for the remaining ships are subject to change. This alignment of programs has resulted in SEA1442 Phase 4 Initial Materiel Release (IMR) moving from June 2018 to being declared in September 2021. IMR was achieved with exceptions. Initial Operational Capability (IOC) was similarly delayed from December 2018 and declared in November 2023. Final Operational Capability (FOC) is delayed following the most recent change to the AMCAP schedule.

Materiel Capability/Scope Delivery Performance

The MTWAN Shore Gateway has been delivered and is operational, including the TS and the SITF which were both accepted in November 2019. The contractor delivered the first three Anzac ship systems, His Majesty's Australian Ship (HMAS) *Anzac*, HMAS *Arunta* and HMAS *Warramunga*, with associated support systems to Capability Acquisition and Sustainment Group (CASG) in 2021. HMAS *Perth's* communication system was delivered in 2022, HMAS *Toowoomba's* and *Stuart's* in 2023 and HMAS *Ballarat's* communication system was delivered in November 2024. IMR was declared in September 2021 and IOC was declared in November 2023.

1.3 Project Context

Background

SEA1442 Phase 4 is a multi-phased program that will modernise the Royal Australian Navy's (RAN) communications infrastructure. The New Generation Maritime Communications System (NewGen MCS) will deliver an integrated and automated system that provides a more agile and faster communication solution requiring reduced operator intervention.

The majority of equipment and sub-systems are either existing Military or Commercial grade items that require some functionality enhancements and Australianisation. The main systems challenge is bringing the sub-systems together as part of a highly integrated and automated system into the ship platform, cognisant of existing weapons, sensors, emitters, and specific platform requirements.

Government Second Pass approval occurred in July 2013 with the acquisition and five-year support services contracts awarded to Selex ES Ltd in November 2013. Selex ES Ltd changed its name to Leonardo MW Ltd in September 2016 and to Leonardo UK Ltd in March 2021.

The project is also managing the acquisition of ARC-210 Gen 5 Very/Ultra-High-Frequency multi-band, multi-mode software defined radios through Foreign Military Sales (FMS) with the United States (US) Government. The radios form part of the NewGen MCS.

Uniqueness

An advanced feature of the NewGen MCS includes a unique radio frequency distribution system that will allow automated and efficient switching of the multitude of radios and antennae on each ship in order to establish the most effective communications path.

The High Data Rate line-of-sight system is a new capability and will be a step towards enabling the RAN to operate in a satellite denied environment and enable more efficient ship-to-ship communication.

Major Risks, Emergent Risks and Issues

The project is currently managing the following emergent risk:

- New capability systems to be included on the final Anzac platform will have an unknown impact on the NewGen MCS.

The project is managing the following issues:

- A shortage of project personnel due to Defence policies restricting recruiting in certain circumstances.
- An extended delay to the SITF recommissioning will result in a reduced communications testing capability, leading to a loss of capability to Navy.

Other Current Related Projects/Phases

The deliverables provided by SEA1442 Phase 4 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 SEA1442 Phase 4 is one. Delays or issues with other AMCAP projects can delay the schedule of SEA1442 Phase 4.

The AMCAP projects consist of:

SEA1448 Phase 4B – Anzac Air Search Radar Replacement. This project is providing an integrated and supportable modern Long Range Air Search Capability into the Anzac Class Frigates.

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.

Section 2 – Financial Performance[1]

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	$m		Notes
	Project Budget			
Dec 10	Original Approval (Government First Pass Approval)	11.4		
Jul 13	Government Second Pass Approval	374.3		
	Total at Second Pass Approval		**385.6**	
Jun 25	Exchange Variation		57.6	
Jun 25	**Total Budget**		**443.2**	
	Project Expenditure			
Prior to Jul 24	Contract Expenditure – Leonardo UK Ltd	(262.4)		
	Contract Expenditure – US Government FMS Case AT-P-BSH	(15.3)		1
	Contract Expenditure – Nova Systems Australia Pty Ltd	(15.0)		
	Contract Expenditure – Warship Asset Management Agreement (WAMA)	(13.9)		2
	Other Contract Payments/Internal Expenses	(13.8)		

[1]Notice to reader

As per the JCPAA 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.

			(320.5)
FY to Jun 25	Contract Expenditure – Leonardo UK Ltd	(15.3)	
	Contract Expenditure – Nova Systems Australia Pty Ltd	(4.8)	
	Contract Expenditure – WAMA	(1.1)	
	Other Contract Payments/Internal Expenses	(0.6)	
			(21.8)
Jun 25	**Total Expenditure**		**(342.3)**
Jun 25	**Remaining Budget**		**100.9**

Notes	
1	US Government FMS Case is not a new contract, the FMS Case number has been referenced for consistency with contract details in Table 2.3A and throughout the Project Data Summary Sheet (PDSS).
2	The WAMA consists of CoA, BAE Systems Maritime Australia Pty Ltd, Saab Australia Pty Ltd and Naval Ship Management (Australia) Pty Ltd.

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	In-year Budget $m	Explanation of Material Movements
21.2	20.2	20.3	Portfolio Budget Statements (PBS) to Portfolio Additional Estimates Statements (PAES): The reduction in expenditure is largely due to a delay in the AMCAP schedule which resulted in a Prime Contract milestone shifting via Contract Change Proposal (CCP) from the current year to FY 2025-26. PAES to In-year Budget: Negligible variance.
Variance $m	(1.1)	0.1	Total Variance ($m): (1.0)
Variance %	(5.2)	0.7	Total Variance (%): (4.5)

2.2B In-year Budget/Expenditure Variance

In-year Budget $m	Actual $m	Variance $m	Variance Factor	Explanation
		1.5	Australian Industry	The overspend is largely due to an increase in a Prime Contract milestone via CCP, due to a delay in the AMCAP schedule.
		-	Foreign Industry	
		-	Early Processes	
		-	Defence Processes	
		-	Foreign Government Negotiations/Payments	
		-	Cost Saving	
		-	Effort in Support of Operations	
		-	Additional Government Approvals	
20.3	21.8	**1.5**	**Total Variance**	
		7.4	**% 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 25 $m			
Leonardo UK Ltd	Nov 13	187.7	308.0	Variable	Standard Defence Contract	1, 2
US Government FMS Case AT-P-BSH	Dec 14	17.0	15.3	Firm or Fixed	FMS	3
WAMA	Dec 17	7.5	17.2	Variable	Alliance	4, 5
Nova Systems Australia Pty Ltd	Mar 19	0.2	23.3	Variable	Integrated Work Package	6

Notes	
1	Contract value at 30 June 2025, is based on actual expenditure to 30 June 2025 and remaining commitment at current budget exchange rates, and includes adjustments for indexation (where applicable).
2	The contract price has increased to include the recommended spare parts list and to extend the contracted period in line with RAN's ship upgrade program.
3	Change in FMS value is due to acceptance of Amendment Number 1 to FMS case AT-P-BSH. Decrease in FMS value is due to lower unit prices and associated costs for technical assistance and administration fees.
4	WAMA consists of CoA, BAE Systems Maritime Australia Pty Ltd, Saab Australia Pty Ltd and Naval Ship Management Pty Ltd. The primary Industry Partner for SEA1442 Phase 4 tasking is BAE Systems Maritime Australia Pty Ltd. Additional services procured during the review period to incorporate the SEA1442 Phase 4 drawings/documentation into the Anzac Ship repository.

5	The WAMA contract includes a cost pain share - gain share provision.
6	Provision of multi-discipline workforce to deliver the Joint Command, Control, Communications and Computer Systems (JC4S) Branch Integrated Work Package via the CASG Major Service Provider Arrangement. Operational changes have led to an increase in the contracted workforce. The contract is updated periodically via CCP to reflect the resourcing requirement.

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 25		
Leonardo UK Ltd	See scope	See scope	• Eight ship mission systems. • One TS. • One SITF. • Three deployable High Data Rate line-of-sight systems.	-
US Government FMS Case AT-P-BSH	131	140	ARC-210 Gen 5 radios, technical data, and technical support.	1
WAMA	N/A	N/A	Provision of all site project management and support services for SEA1442 Phase 4 for the entirety of the AMCAP as well as other tasks to incorporate the NewGen MCS into the Anzac environment.	-
Nova Systems Australia Pty Ltd	N/A	N/A	Provision of multi-discipline workforce to deliver the JC4S Branch Integrated Work Package.	-
Major equipment accepted and quantities to 30 Jun 25				
MTWAN Shore Gateway, TS, SITF and seven ship mission systems have been accepted.				
Notes				
1	Additional radios ordered as spare parts.			

2.4 Australian Industry Capability

Summary
The project has contracted Australian Industry Capability (AIC) Plans, where appropriate, to identify Local Industry Capability which is captured in the Leonardo UK Ltd. AIC Plan in the support of its project management, engineering, integrated logistic support and training activities. WAMA is an Alliance Contract between the CoA and Alliance Industry Participants BAE Systems Maritime Australia Pty Ltd, Naval Ship Management Pty Ltd and Saab Australia Pty Ltd which maintains an AIC Plan in its contract. The project has no contracted AIC Plan for Nova Systems Australia Pty Ltd as it is one of several contractors under the CASG wide Major Service Provider contract that provides above the line work force to projects. The project has no contracted AIC Plan for its US Government FMS acquisition, as the US Foreign Government arrangement does not include the contractual provision or obligations for Australian Industry Content.
Note
AIC Plans for contracts worth more than $20 million are published on Defence's website.

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	NewGen MCS and Support System	Sep 14	N/A	Dec 14	3	1
Preliminary Design	NewGen MCS and Support System	May 15	Sep 15	Sep 15	4	2
Detailed Design	MTWAN Shore Gateway	Sep 14	N/A	Jan 15	4	3
	NewGen MCS	Oct 16	N/A	Feb 17	4	4
	Support System	Apr 17	Jun 17	Sep 17	5	5
	First of Class Integration Detailed Design Review (IDDR)	May 17	N/A	Oct 17	5	6
Notes						
1	Delayed from originally planned due to slow ramp up/contractor performance.					
2	Contract schedule re-baselined to reflect previous System Definition Review milestone slippage and contractor's improved understanding of the work.					
3	MTWAN System Requirements and Preliminary Design addressed prior to Government Second Pass Approval. In order to minimise risk to the operational network upon connection of the MTWAN Shore Gateway, a demonstration of the design in the MTWAN SITF was requested prior to design acceptance. This required additional time to complete.					

4	The conduct of the DDR and its associated system demonstration occurred four months later than the contracted date which triggered liquidated damages.
5	The contractor achieved the Support System DDR in September 2017 (five months later than the contract date due to delays resulting from the later than planned achievement of DDR).
6	The contractor achieved the First of Class IDDR in October 2017 (five months later than the contract date due to delays resulting from the later than planned achievement of DDR).

3.2 Contractor Test and Evaluation Progress

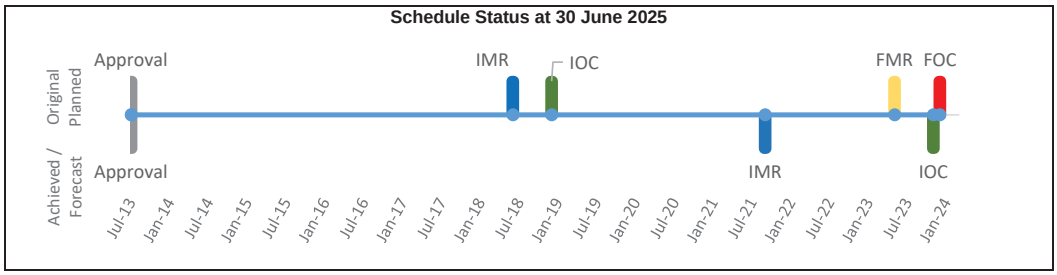
Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
System Integration	NewGen MCS	Jun 18	Jul 20	Apr 21	34	1
Acceptance	MTWAN Shore Gateway	Apr 15	N/A	Mar 15	(1)	-
	Training System	Jun 17	Nov 18	Nov 19	29	2
	Shore Integration Test Facility	Dec 16	Mar 19	Nov 19	35	3
	Ship #1	Jun 18	Jul 21	Jul 21	37	1, 4
	Ship #2	Apr 19	Apr 21	Apr 21	24	1, 4
	Ship #3	Nov 19	Sep 21	Sep 21	22	4
	Ship #4	Jun 20	Jul 22	Jul 22	25	4
	Ship #5	Feb 21	Mar 23	Mar 23	25	4
	Ship #6	Sep 21	Feb 24	Nov 23	26	4
	Ship #7	Apr 22	Dec 24	Nov 24	31	4, 5, 6
	Ship #8	Sep 22	NFP	NFP	NFP	4, 5, 6, 7

Notes	
1	Delays attributed to alignment with planned ship availability per the AMCAP, and the effects of the COVID-19 pandemic, specifically travel restrictions which resulted in the contractor's United Kingdom based personnel being unable to travel to undertake set-to-work and acceptance testing in Western Australia (WA), and the project being unable to travel to carry out onsite test and trials activities with the contractor.
2	CCP011 of 25 June 2018 included an adjustment of the schedule for this milestone. This milestone was achieved in November 2019, being 12 months later than the updated contract date.
3	SITF acceptance date initially incorrectly positioned in the contract. The delay is due to the need to use the SITF during Ship #1 test and acceptance period which was extended when SEA1442 Phase 4 was aligned to AMCAP. This milestone was achieved in November 2019, being eight months later than the updated contract date.
4	Ship availability and schedule is driven by AMCAP. Current contract dates have been aligned with the AMCAP dates updated in June 2023.
5	CCP020 of 22 February 2024 included an adjustment of the schedule for Ship Acceptance milestones for Ships #7 & #8.
6	A template error in the 2023-24 PDSS resulted in the Original Planned dates for Ship #7 & Ship #8 being incorrectly presented as April 2024 and September 2024.
7	CCP021 of 26 June 2025 included an adjustment of the schedule for Ship Acceptance milestone #8.

3.3 Progress Toward Materiel Release and Operational Capability Milestones

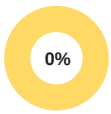
Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	Jun 18	Sep 21	39	1
Initial Operational Capability (IOC)	Dec 18	Nov 23	59	1
Materiel Release 2 – Ship #2	Apr 19	Apr 21	24	1
Materiel Release 3 – Ship #3	Dec 19	Sep 21	21	1
Materiel Release 4 – Ship #4	Aug 20	Sep 22	25	1
Materiel Release 5 – Ship #5	Apr 21	Mar 23	23	1
Materiel Release 6 – Ship #6	Dec 21	Nov 23	23	1
Materiel Release 7 – Ship #7	Aug 22	Nov 24	27	1
Final Materiel Release (FMR)	May 23	NFP	NFP	1
Final Operational Capability (FOC)	Dec 23	NFP	NFP	1

Notes	
1	Ship availability and schedule is driven by AMCAP. The delays were mainly due to the AMCAP schedule, which is continuously being revised by the WAMA and Navy. The schedule changes had a follow on effect on Materiel Release including IMR, IOC, FMR and FOC: with no loss of Navy Capability.



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 all of its capability materiel requirements by FOC as per the Joint Project Directive, Materiel Acquisition Agreement and relevant Technical Regulatory Authority.
	**Amber:** N/A
	**Red:** N/A
Note	
This Traffic Light Diagram represents Defence's expected capability delivery.	

4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Initial Materiel Release (IMR)	Ship #1 acceptance, TS, SITF, Ship #1 crew training, and support arrangements in place. Achieved in September 2021 with minor exceptions; which have since been addressed prior to the achievement of IOC.	Achieved
Initial Operational Capability (IOC)	Anzac Class ship fitted with the new equipment and proven through testing to communicate with other platforms using voice, High Frequency Internet Protocol and High Data Rate line-of-sight. IOC achieved November 2023.	Achieved
Final Materiel Release (FMR)	All eight ships accepted and all support arrangements in place. Forecast dates for FMR are NFP.	Not yet Achieved
Final Operational Capability (FOC)	Operational Release and FMR have been met and endorsed by Chief of Navy. FOC will occur when all eight ships have been accepted and all crew training has been successfully completed, and the Support System elements are in place and running in accordance with respective contract requirements. Forecast dates for FOC are NFP.	Not yet Achieved

Section 5 – Major Risks, Emergent Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)		
Ref#	Description	Remedial Action
N/A	N/A	N/A

5.2 Emergent Risks

Emergent Risks (risk not previously identified or has increased in rating which has emerged during 2024–25)		
Ref#	Description	Remedial Action
1	There is a risk that new capability systems to be included on the final Anzac platform, including the Naval Ship Missile System, will have an unknown impact on the installation of the NewGen MCS.	New systems planned for inclusion on the final ship could interact with the SEA1442 Phase 4 Communications, installation/system and result in unknown consequences. The project is engaging with the relevant projects, Navy and other AMCAP stakeholders through the existing communications channels of the AMCAP Program. This risk was rated high during the year and has since been revised to a medium rating and will be removed from next year's Major Projects Report (MPR).

5.3 Major Project Issues

Ref#	Description	Remedial Action
1	A shortage of Project Office staff has resulted in an inability to carry out the required workload in accordance with approved funding and Workforce Plan.	The team's ability to mitigate this issue is limited as the restrictions on engaging both Australian Public Service and contracted resources are governed by Defence cost saving policies. Justification cases for resources are being made through the project's chain of command. Movement of team members within the Program on a needs basis to areas with the most urgent requirements to mitigate critical manpower issues. This issue was rated high during the year and has since been revised to a medium rating and will be removed from next year's MPR.
2	An extended delay to the SITF recommissioning will result in a reduced communications testing capability, leading to a loss of capability to Navy.	This issue was rated high during the year and has since been transferred from the Project to the SEA1442 Phase 4 Sustainment team register for most effective mitigation. The issue will be removed from next year's MPR.

Section 6 – Lessons

6.1 Key Lessons

In line with Defence Instructions and CASG Lessons policy, the project conducts scheduled reviews of its captured lessons information (including any observations, insights and/or lessons identified) as well as lessons information contained within the Defence Lessons Repository. The project has captured 15 lessons. The five strategic lessons are listed below. No project level (non-strategic) lessons were identified.	
Strategic Lessons Description	Categories of Systemic Lessons
Strategic Lesson Type – Observation. Alignment of multiple schedules in a complex multi contractor environment, such as between SEA1442 Phase 4; its Prime Contractor and AMCAP, can be a source of additional and unnecessary effort if not closely monitored and aligned.	Program, Project & Product Management
Strategic Lesson Type – Observation. Ship availability may be subject to change with minimal notice and may impact on the contractor's ability to deliver against key milestones. Ensuring effective communication between the project office, the Capability Manager and other relevant Defence stakeholders is essential. This will ensure all stakeholders are aware of what capability is being received if schedules change unexpectedly.	Program, Project & Product Management
Strategic Lesson Type – Observation. The effort involved in managing spare parts may be underestimated initially by a project. Whilst there is estimated spares usage data available for planning initial spares purchases, actual usage once the capability has been released must be closely monitored and reacted to promptly. Spares usage has varied significantly in some cases and some spare parts lead times are quite long.	Materiel Logistics
Strategic Lesson Type – Observation. Engage early to prepare for the Set to Work and Testing phase. SEA1442 Phase 4's work is being done in conjunction with the AMCAP at BAE Systems Maritime Australia Pty Ltd Henderson WA. Following the on-shore installation phase, the ship is returned to the water and the new systems are	Engineering & Technical

set to work and tested. This is a very busy time on-board as each project is attempting to do set to work at the same time and the crew returns at this time, adding further activity. Following the recognition of this problem, the AMCAP Lead, BAE Systems Maritime Australia Pty Ltd created a new position, 'Test & Trials Manager' who is engaged nine months prior to the in-water phase for each ship and is responsible for planning for and managing the preparations for the phase. The change has made a positive difference to SEA1442 Phase 4 and other projects.	
Strategic Lesson Type – Observation. Security requirements governing the NewGen MCS and other Defence systems are continually evolving to maintain system security. Engage early with the relevant Defence Information and Communication Technology (ICT) Security organisations and recruit sufficient ICT security team members to achieve and maintain system security accreditation. The project has experienced significant lead times engaging with Defence ICT. Fund and resource Cyber Security personnel within the team and allocate funds for continual security-related updates to the system throughout its life of type.	Decision Support
Project Level Lessons (non-strategic) Description	Categories of Systemic Lessons
No Project level lessons were identified in current MPR reporting period.	N/A

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2025

Unit	Name
Division	Joint Systems Division
Branch	Joint C4 Systems Branch