

Project Data Summary Sheet¹⁴⁵

Project Number	AIR 5431 Phase 3
Project Name	Civil Military Air Traffic Management System (CMATS)
First Year Reported in the MPR	2016-17
Capability Type	Replacement
Acquisition Type	Developmental
Capability Manager	Chief of Air Force
Government 1st Pass Approval	Nov 11
Government 2nd Pass Approval	Dec 14
Total Approved Budget (Current)	\$730.7m
2016-17 Budget	\$40.8m
Project Stage	Second Pass Approval
Complexity	ACAT I



Section 1 – Project Summary

1.1 Project Description

AIR 5431 Phase 3 seeks to replace the current Fixed Base Defence Air Traffic Management and Control Systems at 12 Australian Defence Force (ADF) fixed base locations with a new harmonised system, referred to as the Civil Military Air Traffic System (CMATS). The CMATS component of AIR5431 Phase 3 is being conducted as a joint acquisition program with Airservices Australia (Airservices). New and refurbished control towers and approach centres, and upgraded network infrastructure, is being delivered under separately funded projects through the Estate and Infrastructure Group and the Chief Information Officer Group to enable CMATS introduction into service.

1.2 Current Status

Cost Performance

In-year

In-year expenditure is \$36.3m against a budget of \$40.8m. The year end underspend of \$4.5m is due to delays in contract negotiations.

Project Financial Assurance Statement

As at 30 June 2017, project AIR 5431 Phase 3 has reviewed the project's approved scope and budget for those elements required to be delivered by Defence. Having reviewed the current financial and contractual obligations for this project, current known risks and estimated future expenditure, Defence considers there is insufficient budget remaining for the project to complete against the agreed scope.

Contingency Statement

The project has not applied contingency in the financial year.

Schedule Performance

Contract signature with Thales was originally planned to occur in October 2015, and is now likely to occur during fourth quarter 2017, over two years later than expected. This timeframe is considered optimistic due to the aggressive approach to achievement of contract signature. The offer and negotiation process has been protracted, in part due to misalignment of customer approval processes through two separate governance structures, but also due to Thales not yet producing an acceptable offer that represents value for money for Defence and Airservices. Assessment of the refined Phase C offer received in June 2016 from Thales found that although the offer was not affordable it was considered to be better defined and provided a basis for further negotiation. Negotiations recommenced with Thales in December 2016 with a caveat from Defence that the current offer, and likely negotiated outcome, would not enable Defence to commit to a contract without approval of a significant Real Cost Increase (RCI) to its Second Pass approved budget, which would require government approval.

145 Notice to reader

Forecast dates and Sections: 1.2 (Materiel Capability Delivery Performance), 1.3 (Major Risks and Issues), 4.1 (Measures of Materiel Capability 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.

An executable schedule that fits within the Defence Second Pass approved Materiel Acquisition Agreement (MAA) milestone dates and associated scope definition for the AIR5431 Phase 3 Initial Operational Capability (IOC), has not been agreed between the Customer and Thales. The refined Phase C schedule provided by Thales in June 2016 indicates that the Defence IOC date remains viable, though this is premised on a number of conditions that are not acceptable to Defence. Prior to 30 June 17, Defence assessed achievement of IOC and Final Operational Capability (FOC) within the window agreed at Second Pass as high risk and with consideration of best available information, reforecast IOC to November 22 and FOC to October 25. The reforecast dates will be verified once Thales' final offer is received and accepted by the customers.

Materiel Capability Delivery Performance

CMATS has not delivered any materiel capability to date. System Requirements Analysis (conducted under Advanced Work Order (AWO) 2) was planned to be completed in August 2017, however this is now forecast for November 2017. Whilst Airservices and Defence expect the full capability can be achieved and delivered by Thales, capability definition is currently at a low-level of maturity. This is as a result of affordability constraints that have resulted in consideration of capability and schedule trade-offs requiring detailed negotiation with Thales. Low schedule maturity continues to be a source of risk to both the IOC and FOC delivery. This has been demonstrated by Thales' underperformance in delivering Advance Work Order (AWO) 2 outcomes, as well as their commercial desire to complete System Requirements Analysis (in order to manage their design scope risk) prior to entering into the main contract.

Note

Forecast dates and capability assessments are excluded from the scope of the review.

1.3 Project Context

Background

AIR5431 Phase 3 will acquire a fixed Air Traffic Management (ATM) system to replace the existing Australian Defence Air Traffic System (ADATS) capability (Tower and Approach Centres) at 12 ADF fixed base locations, and a simulator system for the School of Air Traffic Control (SATC). Defence is procuring for its replacement ATM capability under AIR5431 Phase 3, a common Civil Military Air Traffic management and control System (CMATS) through a joint acquisition and support program with Airservices, also referred to as OneSKY Australia (OneSKY).

Beyond the joint CMATS procurement, Defence is also acquiring fundamental input to capability elements necessary for successful integration of the CMATS into the broader Defence ATM system.

The strategic objectives of Airservices and Defence for the CMATS program include:

- to harmonise Australia's civil and military air traffic management systems so as to deliver improvements in safety, efficiency, flexibility, economy and business continuity and accords with the Australian Government's policy to maximise the efficiency of Australian airspace through increased cooperation and collaboration between Airservices and Defence; and
- to successfully acquire, transition, support and operate the CMATS across Australia's national airspace and every major civil and military aerodrome in Australia within agreed schedule, cost and performance constraints.

Consistent with the Government's 2013 Policy for Aviation, Defence continues to work jointly with Airservices as the lead agency for the CMATS, to establish a harmonised national air traffic system.

AIR5431 Phase 3 achieved First Pass approval in November 2011 as part of a combined project with AIR5431 Phase 2, which included combined Defence Capability Plan (DCP) capital and Net Personnel and Operating Costs (NPOC) provisions. The Project Initial Review Board (PIRB) held in November 2013, subsequently directed AIR5431 Phase 2 and Phase 3 be presented to government as separate projects, which was noted by the Minister for Defence in March 2014. The revised DCP 2014 included AIR5431 Phase 2 and Phase 3 as separate projects.

A PIRB held April 2014 agreed to seek Second Pass for AIR5431 Phase 3 in December 2014, vice March 2015, to better align with Airservices' project approval timeline and to mitigate the identified Defence risks with the delivery of associated facilities and communications projects. The AIR5431 Phase 3 Second Pass submission was based on tender agnostic capability, schedule and cost data, provisioned by Airservices as a Not-to-Exceed (NTE) price for the Defence share of the common elements of CMATS, inclusive of risk and contingency. AIR5431 Phase 3 achieved Second Pass approval in December 2014. It should be noted that this NTE had significant caveats, which have now been realised, so Defence can no longer rely on that NTE.

A Memorandum of Cooperation signed in February 2015 confirmed Airservices and Defence agreement that Airservices would, as lead agency, enter solely into agreements with Thales for the acquisition and support of CMATS on behalf of both Airservices and Defence. Airservices management of the contracts with Thales will be governed by an On Supply Agreement (OSA) established between Defence and Airservices in June 2015. In addition to defining the mutually beneficial governance framework, the OSA sets out obligations of each party with respect to the delivery of the CMATS and defines the on-supply to Defence, of the agreed Defence supplies and services, which are delivered to Airservices by Thales.

The CMATS program organisation has been structured to ensure joint decision-making by the parties. This is achieved through the implementation of a Joint Program Team consisting of both Airservices and Defence subject matter experts, a Joint Program Steering Group consisting of Defence and Airservices senior representatives, and the Program Sponsors including CEO Airservices, Chief of Air Force and Deputy Secretary CASG. Whilst the parties have opted for a lead agency construct, the organisation is underpinned by embedded staff and decision-makers to assure both parties that their interests and requirements are addressed in terms of management of the project. However, the dual sponsorship, and the governance and stakeholder management that arises, does lead to challenges where there is a variation between the timelines of approval or organisational direction.

Airservices and Defence conducted an approach to market in June 2013 and are engaged in negotiations with Thales, who for the purposes of negotiations are considered the designated tenderer. In order to enable CMATS critical activities to commence and

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concurrently reduce potential risk with the negotiation process, Airservices entered into the Advance Work Supply Arrangement Deed of Standing Offer (AWSA) with Thales. The AWSA provides a commercial mechanism to obtain advance supplies and services related to the common elements of the system, as well as Defence specific and Airservices specific supplies. A Collateral Deed in respect of the AWSA was concurrently executed by Defence, Airservices and Thales, to provide for certain rights and obligations of Defence. The parties have agreed that they will execute a similar deed in respect of the main project contracts (acquisition and support).

Airservices commenced negotiations with Thales in February 2015. The approach undertaken by Airservices, was to adopt a five staged negotiation methodology to expose technical, schedule, commercial and cost risks upfront in order to achieve a compliant, value for money outcome for both Defence and Airservices, and consequently a smoother journey once in contract. Phases A and B involved clarification and remediation of non-compliances in the tendered bid in order to obtain a refined offer from the preferred tenderer (Phase C). Phase D provided for the implementation of the AWSA to advance necessary engineering work to reduce schedule and technical risk anticipated in the acquisition contract. The purpose of Phase E is to negotiate critical non-compliances in the Phase C offer, with the intended outcome being executable acquisition and support contracts.

In entering into Phase E critical negotiations in December 2016, it is acknowledged that the joint program has experienced a long and drawn-out negotiation process. Whilst program stakeholders for Defence and Airservices have agreed to progress the Thales Phase C offer through critical negotiations, there remains a number of challenges to overcome, such as the higher-than-anticipated price, unrealistic expectations of customer furnished supplies and services, a number of breaches of the advised (customer) technical constraints and substantial risk and scope transfer from Thales to the customer.

The joint civil-military acquisition originally intended to procure a largely commercial off-the-shelf (or military off-the-shelf) system; however, the only compliant and viable solutions tendered all required significant development and integration effort to deliver the specified capability. Furthermore, there are no similar civil-military Air Traffic Management systems fielded elsewhere in the world.

On 6 June 2017 the Minister for Defence agreed with the Minister for Defence Industry and Minister for Infrastructure and Transport, that AIR5431 Phase 3 would be designated a Project of Concern.

Uniqueness

CMATS represents the first time that a Defence project is contributing to a major national infrastructure project. The December 2009 National Aviation White Paper identified the need to implement a harmonised national civil and military air traffic management system. The activities identified in the White Paper for the implementation of a comprehensive, collaborative approach to nation-wide air traffic management included the procurement of a single solution air traffic management (ATM) platform between civil and military agencies.

At the time of decision to enter into a joint project arrangement between there was no history of a similar governance structure in operation that aligned with the scope of this project. As a consequence, Airservices and Defence have established and continued to refine the CMATS joint delivery structure without the benefit of adapting from proven existing models.

Major Risks and Issues

While both organisations have risk policy and practices in place, Airservices and Defence manage risk separately in accordance with their respective risk management frameworks. The CMATS joint program risk register is maintained and managed by Airservices on behalf of the CMATS program and considers risk that may collectively impact both Defence and Airservices. AIR5431 Phase 3 operates a separate risk register for Defence specific/unique risks and issues. All major risks that have an impact on AIR5431 Phase 3 have been disclosed, regardless of where they are managed.

The sources of risk for the CMATS program stem not only from the software and integration complexity inherent in developmental design, but are further complicated by the organisational differences of the two agencies. The significant risks facing the program during this pre-contract stage include:

- Poor provision of Customer Furnished Materials, Information, Supplies and Services, including significant enabling interfaces such as AMACCS, and CIOG and E&G infrastructure and networks.
- Contractor under-performance in delivering the Advanced Work Order's has raised concern over their capacity to effectively deliver the CMATS under the main acquisition contract.
- Accreditation of CMATS may be impacted as a result of existing Defence and Airservices infrastructure and systems not meeting security requirements.
- Delivery of CMATS may be impacted by dependent Airservices and Defence organisational inefficiencies, driven by divergent goals, or lack of oversight and control.
- The CMATS capability, including sub-systems and software may fail to meet assurance requirements and obtain regulator (CASA) approval due to insufficient evidence or the proposed approach to aggregate the CMATS data into the Defence network.

There are number of issues impacting Airservices and Defence individually and jointly :

- The Defence funds required to execute the acquisition and support contracts will exceed the funds approved at Second Pass.
- Organisational differences between Airservices and Defence impact joint program team efficiency and performance.
- Insufficient dependent AMACCS system assets during CMATS introduction into service will impact current operations.
- Estate and Infrastructure Group delays to delivery of Airfield Systems Interfaces (ASI) will delay CMATS activation.
- Airservices dependant projects delivering Airservices Customer Furnished Supplies (CFS) required by Defence to deliver its CFS to the Contractor System Verification Facility (CSVF) at System Design Review (SDR) plus 3 months are delayed.
- ADATS will now require a life-of-type extension to ensure ongoing reliable operations until transition to CMATS can be achieved. This is due to delays in achieving executable contracts with Thales.

- A lack of clarity of scope allocated between CIOG and Thales, resulted in a number of facilities and site support activities not being accounted for in Defence project estimates.
- The joint program has yet to define configuration/data management policies, procedures and processes to effectively implement the Program's Configuration and Data Management activities.

Other Current Sub-Projects

AIR5431 Phase 1 – Deployable Air Traffic Control (ATC) Capability will introduce Deployable Air Traffic Management (ATM) command and control systems into the ADF inventory.

AIR5431 Phase 2 – Fixed Base ATC Replacement Capability will replace the existing fixed base defence ATC surveillance radars.

Note

Major risks and issues are excluded from the scope of the review.

Section 2 – Financial Performance

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
Project Budget			
Dec 14	Original Approved	731.4	2
Jun 17	Exchange Variation	(0.7)	
Jun 17	Total Budget	730.7	
Project Expenditure			
Prior to Jul 16	Contract Expenditure - Airservices Australia	(15.8)	1
	Contract Expenditure - Jacobs Australia	(7.9)	
	Other Contract Payments/Internal Expenses	(1.7)	
		(25.4)	
FY to Jun 17	Contract Expenditure - Airservices Australia	(27.5)	1
	Contract Expenditure - Jacobs Australia	(7.0)	
	Other Contract Payments/Internal Expenses	(1.8)	
		(36.3)	
Jun 17	Total Expenditure	(61.7)	
Jun 17	Remaining Budget	669.0	
Notes			
1	Other contract payments/Internal expenses: Operating expenditure, contractors, minor contract expenditure and other capital expenditure not attributable to the listed contracts.		
2	Government consideration of a Real Cost Increase is expected to occur in December 2017 to cover additional costs related to the acquisition of the prime system, an ADATS life of type extension and radio communication system requirements to support transition.		

2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Defence's Explanation of Material Movements
59.9	50.6	40.8	PBS - PAES : The variation is a result of contract signature being delayed to 2017-18. Due to extended negotiations with the preferred tenderer under the joint OneSKY program being led by Airservices Australia. PAES- Final Plan: The variation is a result of contract signature being delayed to 2017-18.
Variance \$m	(9.3)	(9.8)	Total Variance (\$m): (19.0)
Variance %	(15.5)	(19.3)	Total Variance (%): (31.8)

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
			Australian Industry	The current underspend is due to delays in contract negotiations.
			Foreign Industry	
		(2.5)	Early Processes	
		(2.0)	Defence Processes	
			Foreign Government Negotiations/Payments	
			Cost Saving	
			Effort in Support of Operations	
			Additional Government Approvals	
40.8	36.3	(4.5)	Total Variance	
		(11.1)	% Variance	

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2.3 Details of Project Major Contracts

2.5 Details of Project Major Contracts						
Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature \$m	30 Jun 17 \$m			
Jacobs Australia	Dec 14	107.7	108.7	Variable	Modified ASDEFCON	2
Airservices Australia	Jun 15	N/A	50.1	Reimbursement	On Supply Agreement	1,2
Notes						
1	CMATS will be procured via contracts between Airservices and the designated tenderer Thales Australia (Thales). Airservices will manage both the acquisition and support contracts with Thales on behalf of Defence through an On Supply Agreement (OSA) established between Defence and Airservices. Defence reimburses Airservices for all Joint Program Costs and Defences share of CMATS.					
2	Contract value as at 30 June 2017 is based on actual expenditure to 30 June 2017 and remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable).					
Contractor		Quantities as at		Scope		Notes
		Signature	30 Jun 17			
Jacobs Australia		N/A	N/A	Service based integrated support.		
Airservices Australia		N/A	N/A	Pre-contract risk mitigation engineering work.		
Major equipment received and quantities to 30 Jun 17						
Nil.						
Notes						
1	N/A					

Section 3 – Schedule Performance

3.1 Design Review Progress

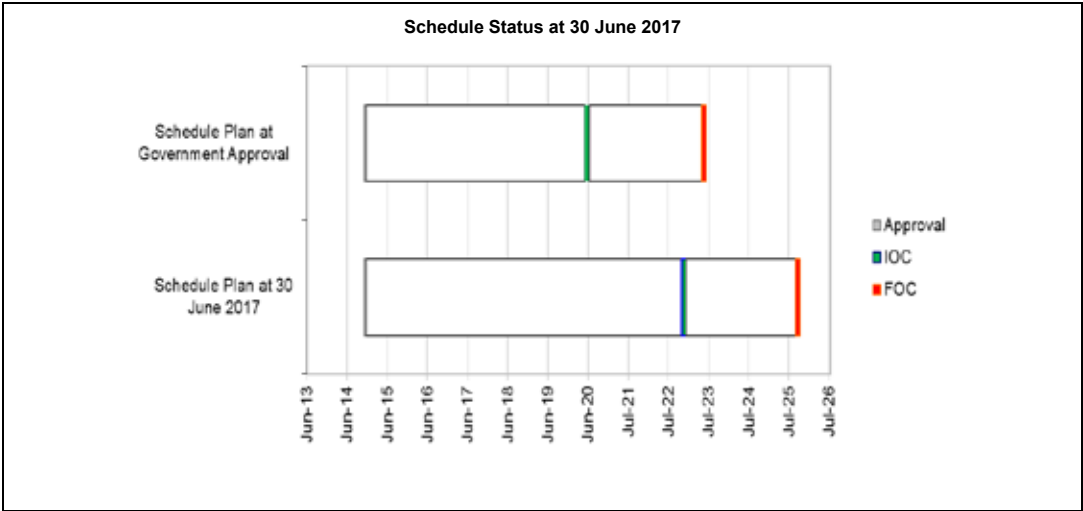
Review	Major System/Platform Variant	Original Planned	Current Planned	Achieved/Forecast	Variance (Months)	Notes
System Requirements	CMATS System Requirements Analysis	Aug 17	N/A	Nov 17	3	1
Preliminary Design	CMATS	TBA	TBA	TBA	TBA	1
Critical Design	CMATS	TBA	TBA	TBA	TBA	1
Notes						
1	The project is not yet in contact with Thales for the acquisition of the CMATS; however some critical engineering work is being conducted as pre-contract work packages under the Advanced Work Supply Arrangement in order to reduce schedule risk. This contract is expected to be signed during fourth quarter 2017.					

3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Planned	Achieved/Forecast	Variance (Months)	Notes
System Integration	CMATS	TBA	TBA	TBA	TBA	1
Acceptance	CMATS	TBA	TBA	TBA	TBA	1
Notes						
1	Dates pending contract signature for the acquisition of the CMATS which is expected to occur during fourth quarter 2017.					

3.3 Progress Toward Materiel Release and Operational Capability Milestones

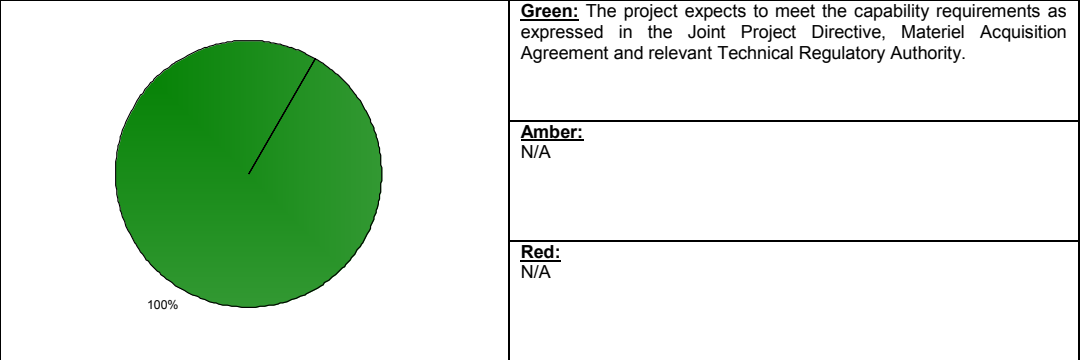
Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	TBA	TBA	TBA	1
Initial Operational Capability (IOC)	Jun 20	Nov 22	29	2
Final Materiel Release (FMR)	TBA	TBA	TBA	1
Final Operational Capability (FOC)	Jun 23	Oct 25	28	2
Notes				
1	The IMR and FMR milestones are expected to be confirmed at contract signature during fourth quarter 2017.			
2	Defence and Airservices continue to negotiate capability, cost and schedule with Thales. The original planned IOC and FOC achievement window is considered at risk, however until a final contract position is reached between the parties, the forecast and variance are uncertain. This contract is expected to be signed during fourth quarter 2017.			



Section 4 – Materiel Capability Delivery Performance

4.1 Measures of Materiel Capability Delivery Performance

Pie Chart: Percentage Breakdown of Materiel Capability Delivery Performance



Note
 This Pie Chart does not necessarily represent capability achieved. The capability assessments and forecasts by Defence are not subject to the ANAO's assurance review.

4.2 Constitution of Initial Materiel Release and Final Materiel Release

Item	Explanation	Achievement
Initial Materiel Release (IMR)	Amberley, East Sale (including the School of Air Traffic Control (SATC)) and Edinburgh transitioned from ADATS. Forecast achievement date TBA at contract signature.	Not yet achieved
Final Materiel Release (FMR)	Delivery of all CMATS material system elements configured to the final system build, at Amberley, East Sale, SATC, Edinburgh, Oakey, Nowra, Tindal, Darwin, Townsville, Williamtown, Pearce, Richmond and Gin Gin. Forecast achievement date TBA at contract signature.	Not yet achieved

Section 5 – Major Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
Poor provision of Customer Furnished Materials, Supplies and Services including non-compliance of, deficiencies in, or unavailability, particularly with CIOG and E&IG infrastructure and networks, will result in the customer impacting the contracted schedule.	The Project continues to engage with service providers bring forward definition and remediation of CMATS interfaces, networks and planned infrastructure in order to reduce the likelihood of delay during site rollout of the system.
Delays to procurement of the AMACCS transition solution due to insufficient funding will lead to insufficient AGA assets to enable CMATS transition within the agreed contract schedule.	Progress urgent acquisition of supplementary AMACCS equipment with additional project funding that is subject to Government approval.
Contractor under-performance in delivering the Advanced Work Order's has raised concern over their capacity to effectively deliver the CMATS under the main acquisition contract and has increased the likelihood of inefficiencies resulting in schedule and cost impacts.	Ensure that strong contractor/customer collaborative arrangements, that drive positive contractor and customer performance, are embedded in the contracts.
The current approach to aggregate CMATS data within the Defence network may not satisfy the requirements for the Civil Aviation Safety Authority (CASA) accreditation.	Prepare a paper on the impacts of an aggregated network and identify requirements of the Defence network architecture necessary to meet regulatory/safety requirements.
Accreditation of CMATS to operate as Protected may be impacted as a result of existing Defence and Airservices infrastructure and systems not meeting the security requirements or further due to CMATS design and boundary issues.	Engage an INFOSEC Registered Assessors Program (IRAP) assessor to better understand the accreditation issues within the current system and approach, outputs from this activity will assist joint security working group to develop the CMATS accreditation plan.
Delivery of CMATS may be impacted by dependent Airservices and Defence organisational inefficiencies, driven by divergent goals, mismatch of delegations or lack of oversight and control, leading to a breach of cost and schedule thresholds for the Defence portion of the CMATS project.	In addition to effective stakeholder and decision-maker engagement, continue to maintain operational alignment with the On Supply Agreement and influence contract negotiations to ensure problem resolution clauses are sufficiently provisioned for within the contracts.
Insufficient or inappropriate evidence to support the safety argument could result in the CMATS capability, including sub-systems and software, failing to meet assurance requirements and obtain regulator (CASA) approval.	Formalise the engagement approach with CASA to establish appropriate information provisioning and undertake a risk reduction study to determine an appropriate means of applying software assurance.
Emergent Risks (risk not previously identified but has emerged during 2016-17)	
Description	Remedial Action
N/A	N/A

5.2 Major Project Issues

Description	Remedial Action
The funds required to execute the acquisition and sustainment contracts has exceeded the funds approved at Second Pass, this has occurred due to an underestimation of the cost of a harmonised capability and furthermore as a result of preferred supplier cost escalations during negotiation.	The Project will undertake coordination activities with the capability manager to concurrently investigate opportunities for scope rationalisation and prepare a submission for Government approval. Other strategies under consideration include alternative commercial solutions such as partial fee-for-service.
Organisational differences between Airservices and Defence impact joint program team efficiency and performance. Airservices' change program has resulted in significant redundancies within the CMATS program team, this has led to a greater reliance on Defence to resource the program in order to maintain momentum across parallel streams of work.	Continue to progress mutually agreed roles and responsibilities within the bounds of the On-Supply agreement.
AIR5431 Phase 3 is unable to introduce CMATS into service without impacting current operations due to insufficient dependent AMACCS system assets.	The optimal identified treatment strategy is for AIR5431 Phase 3 to seek a scope and funding increase for the replacement of AMACCS.
Estate and Infrastructure Group delays to delivery of Airfield Systems Interfaces (ASI) will delay CMATS activation.	In addition to engagement of senior stakeholders on this issue, continue to work with E&IG to develop an 'end-to-end' plan for ASI.
Delays in Airservices dependant projects delivering Airservices Customer Furnished Supplies, will impact delivery of CFS to the Contractor System Verification Facility (CSVF) at System Design Review (SDR) plus 3 months.	Engage appropriate Airservices (and OneSKY) stakeholders utilising established mechanisms within the On Supply Agreement.
ADATS will now require a life-of-type extension to ensure ongoing reliable operations until transition to CMATS can be achieved. This is due to delays in achieving executable contracts with Thales.	Support the ADATS Capability Manager (Air Force) in the definition of the life-of-type extension, including preparation of documentation for Government approval.
A lack of clarity of scope allocated between CIOG and Thales, a resulted in a number of facilities and site support activities	Activities have now been estimated, but remain unfunded. The Project will aim to leverage existing E&IG contracts/panels for

not being accounted for in Defence project estimates.	regional site works and ensure a clear definition of funding requirements is presented for Government consideration and approval.
The joint program has yet to define configuration/data management policies, procedures and processes to effectively implement the Program's Configuration and Data Management activities.	Source additional configuration and data management resources to support policy and process reform. Develop a business case to upgrade the existing configuration management tool.

Section 6 – Project Maturity

6.1 Project Maturity Score and Benchmark

Maturity Score		Attributes							
		Schedule	Cost	Requirement	Technical Understanding	Technical Difficulty	Commercial	Operations and Support	Total
Project Stage	Benchmark	5	5	5	5	5	5	5	35
Second Pass Approval	Project Status	3	4	5	5	5	4	3	29
	Explanation	<ul style="list-style-type: none">Schedule – the proposed schedule is understood, however it is not feasible. The likelihood of achieving IOC and FOC within the MAA window is low.Cost – the cost of the capability is industry tested. Refinement of the tendered offer is subject to further negotiations.Commercial – The current Thales offer is in the process of being negotiated to an offer that is capable of acceptance.Operations and Support – Whilst there is a good understanding of the schedule timing required to transition from ADATS to CMATS, driven in large part by the ongoing supportability of ADATS, the project has not been able to put in place a schedule that effectively mitigates this risk. Additionally, the time lag between contract signature of dependent infrastructure and network projects is decreasing the project's flexibility in making changes.							

The graph illustrates the Project Maturity Score progression through various project stages. The score starts at 13 for 'Enter DCP' and increases steadily to 70 for 'Project Completion'. A dashed red vertical line at a score of 35 marks the '2016-17 CASG MPR Status'.

Project Stage	Maturity Score
Enter DCP	13
Decide Viable Capability Options	16
1st Pass Approval	21
Industry Proposals / Offers	30
2nd Pass Approvals	35
Contract Signature	42
Preliminary Design Review(s)	45
Detailed Design Review(s)	50
Complete Sys. Integ. & Test	55
Complete Acceptance Testing	57
Initial Materiel Release (IMR)	60
Final Materiel Release (FMR)	63
Final Contract Acceptance	65
MAA Closure	66
Acceptance Into Service	67
Project Completion	70

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Section 7 – Lessons Learned

7.1 Key Lessons Learned

Project Lesson	Categories of Systemic Lessons
Set up the Governance structure earlier in the process – the decision regarding lead agency and harmonisation was determined at a strategic level without detailed analysis of the nuances between the two organisations. Although there is now a robust governance structure in place, there are still areas of disunity that are now difficult to change.	Governance
Better communication with Stakeholders - although the establishment of joint project was at the direction of a harmonisation initiative of the Government, the joint project has been slow to re-engage with stakeholders, up to and including Government, to seek refined direction based on prevailing and emerging risks and issues.	Contract management/Governance
A lack of resources at the initiation stage of the project, and during the preparation of the Request For Tender, can create a significant technical and stakeholder management debt that will affect the ability to agree on requirements, forecast a realistic schedule and determine future workforce requirements.	Resourcing

Section 8 – Project Line Management

8.1 Project Line Management in 2016-17

Position	Name
Division Head	RADM Tony Dalton
Branch Head	AIRCDRE Sally Pearson
Project Director	GPCAPT Dick Haines
Project Manager	Ms Georgia Miles

