

Part 4. JCPAA 2019–20 Major Projects Report Guidelines



Australian Government
Department of Defence



Endorsed by the Joint Committee of Public Accounts and Audit

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JCPAA 2019–20 Major Projects Report Guidelines
Auditor-General Report No.19 2020–21
2019–20 Major Projects Report

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Purpose

1.1 The objective of the Major Projects Report (MPR) is ‘to improve the accountability and transparency of Defence acquisitions for the benefit of Parliament and other stakeholders.’¹ In February 2012, the JCPAA identified this review as a ‘Priority Assurance Review’, under section 19A(5) of the *Auditor-General Act 1997*, allowing the ANAO full access to the information gathering powers under the *Auditor-General Act 1997*.

Introduction

1.2 The Defence MPR will form part of the Australian National Audit Office’s (ANAO) 2019–20 MPR, which is to be tabled in Parliament.² The MPR will report on the performance of selected major Defence equipment acquisition projects (Major Projects) since Second Pass Approval³, and associated sustainment activities (where applicable), managed by Defence.⁴ The summary project data is prepared by Defence and reviewed by the ANAO.

1.3 The Major Projects included within the MPR are proposed by Defence, based on criteria endorsed by the Joint Committee of Public Accounts and Audit (JCPAA), and provided to the JCPAA by the ANAO.

1.4 The 2019–20 MPR will report on 30 projects as endorsed by the JCPAA. The number of projects included in the MPR since its inception is shown in the following table.

Table 1: Number of projects included in the MPR

MPR	Number of projects	MPR	Number of projects
2007–08	9	2014–15	25
2008–09	15	2015–16	26
2009–10	22	2016–17	27
2010–11	28	2017–18	26
2011–12 and 2012–13	29	2018–19	26
2013–14	30	2019–20	30

1.5 Project data is presented by way of Project Data Summary Sheets (PDSSs), as at 30 June each year. The ANAO will review the PDSSs in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The ANAO’s review is designed to enable the ANAO to obtain sufficient appropriate evidence to form a conclusion. This conclusion being whether anything has come to the ANAO’s attention which indicates that the information in the PDSSs, which is within the scope of the review, has not been prepared, in all material respects, in accordance with the Guidelines.

1.6 These Guidelines:

- (a) provide the criteria for project selection and the list of projects for inclusion in the 2019–20 MPR;

1 Joint Committee of Public Accounts and Audit, Parliament of the Commonwealth of Australia, *Report 473: Defence Major Projects Report (2016–17)*, (2018), Executive Summary, p. 1.

2 The ANAO’s 2019–20 MPR will also include the ANAO’s review and analysis, and the Auditor-General’s Independent Assurance Report.

3 Projects which are pre-Second Pass Approval but have a spent more than \$500m will also be considered.

4 For the purposes of the MPR, a project is defined as the acquisition or upgrade of Specialist Military Equipment, which normally excludes facilities and other Fundamental Inputs to Capability.

- (b) outline the roles and responsibilities of Defence in the production and quality assurance of Defence's 2019–20 MPR⁵;
- (c) provide requirements for the preparation of the PDSSs;
- (d) provide the PDSS template; and
- (e) provide an indicative program schedule in support of a November 2020 tabling.

1.7 Each year the MPR Guidelines are reviewed and amended to reflect lessons learned and the outcomes of JCPAA review, in order to improve the MPR processes and to ensure the report meets its objective. At the JCPAA's request, the ANAO has taken administrative responsibility for updating the Guidelines annually and submitting them to the Committee for endorsement, following consultation with Defence.

Criteria for Project Selection

1.8 The inclusion of projects in the MPR is generally based on the projects included in the Defence Integrated Investment Program and subject to the following criteria:

- (a) Projects only admitted one year after Second Pass Approval, or projects pre-Second Pass Approval that have spent > \$500m⁶;
- (b) a total approved project budget of > \$300m;
- (c) a project should have at least three years of asset delivery remaining;
- (d) a project must have at least \$50m or 10% (whichever is greater) of its budget remaining over the next two years; and
- (e) a maximum of five new projects in any one year.

1.9 All projects selected for inclusion in the MPR will be proposed by Defence, based on the above criteria, and provided to the JCPAA by the ANAO annually by 31 August, for endorsement.

1.10 The removal of projects from the MPR is generally based on declaration of Final Operational Capability (FOC), or on a pre-FOC risk assessment of the timely declaration of FOC where a significant portion of the project's deliverables are complete, and subject to the following criteria:

- (a) the outstanding deliverables pre-FOC, against the relevant Materiel Acquisition Agreement (MAA)⁷ and/or Joint Project Directive (JPD)⁸;
- (b) the remaining schedule to FOC, against the relevant MAA and/or JPD;
- (c) the remaining budget to FOC, against the relevant MAA and/or JPD;

5 The ANAO's roles and responsibilities are defined by the *Auditor-General Act 1997* and relevant legislation, and are outlined for each engagement with the responsible parties.

6 The Capability Life Cycle (CLC) is being redesigned following the First Principles Review, to deliver a risk-based decision-making and asset management process. Not all projects in the 2019–20 MPR will have been approved under the updated process, but will have had at least one Second Pass approval or key Government decision.

7 MAAs are intended to be phased out and gradually replaced by Product Delivery Agreements (PDAs). Projects in the 2019–20 MPR will have an approved MAA. A PDA is an agreement between the Sponsor and Lead Delivery Group which specifies the scope, resourcing, priorities and performance and preparedness requirements for support of a capability system throughout its life, to support performance measurement. Department of Defence, *Interim Capability Life Cycle Manual*, August 2017, Annex A, Definitions, p. 92.

8 The Project Directive is a tasking statement from Vice Chief of the Defence Force and defines the Project, in terms of fundamental inputs to capability, together with the resources necessary to deliver the project. It is developed in accordance with the exact parameters agreed by government. Department of Defence, *Interim Capability Life Cycle Manual*, August 2017, Annex A, p. 93. The mechanism for providing the directive is via the CLC management tool, which records the Government decision in relation to a project. The accountabilities and responsibilities of specific roles within the CLC are defined in the *Interim Capability Life Cycle Manual*. Where necessary, the Joint Force Authority may provide a specific documented directive.

- (d) the remaining project risks and issues; and
- (e) the Capability Manager's assessment, including overall risk rating and the extent to which this risk rating relates to the Capability Acquisition and Sustainment Group's (CASG's) responsibilities.⁹

1.11 All projects selected for removal from the MPR will be proposed by Defence, based on the above criteria, and provided to the JCPAA by the ANAO annually by 31 August, for endorsement.

1.12 Once projects have met the exit criteria and removal has been endorsed by the JCPAA, they should be removed from the PDSSs, and expenditure and milestone information included within the Defence MPR in the subsequent year.

1.13 Projects which have been removed from the MPR which still have outstanding caveats, significant remaining materiel capability or milestones to be delivered, are required to report on the status of these activities in the *Statement by the Secretary of Defence* until their final status is accepted by the Capability Manager.

2019–20 Project Selection

1.14 The following table reflects projects included in the 2019–20 MPR program.¹⁰ For each project which has been removed, the lessons learned at both the project level and the whole-of-organisation level should be included as a separate section in the following Defence MPR.

Table 2: Projects for the 2019–20 MPR

Project Number	Project Name	Defence Abbreviation
AIR 6000 Phase 2A/2B	New Air Combat Capability	Joint Strike Fighter
SEA 4000 Phase 3	Air Warfare Destroyer Build	AWD Ships
SEA 5000 Phase 1	Future Frigates	Future Frigates ¹
SEA 1000 Phase 1B	Future Submarines Design Acquisition	Future Subs ¹
LAND 400 Phase 2	Combat Reconnaissance Vehicles	Combat Recon. Vehicles ¹
AIR 7000 Phase 2B	Maritime Patrol and Response Aircraft System	P-8A Poseidon
AIR 9000 Phase 2/4/6	Multi-Role Helicopter	MRH90 Helicopters
SEA 1180 Phase 1	Offshore Patrol Vessel	Offshore Patrol Vessel
AIR 5349 Phase 3	EA-18G Growler Airborne Electronic Attack Capability	Growler
AIR 9000 Phase 8	Future Naval Aviation Combat System Helicopter	MH-60R Seahawk
LAND 121 Phase 3B	Medium Heavy Capability, Field Vehicles, Modules and Trailers	Overlander Medium/Heavy
JP 2048 Phase 4A/4B	Amphibious Ships (LHD)	LHD Ships
LAND 121 Phase 4	Protected Mobility Vehicle – Light (PMV-L)	Hawkei
AIR 8000 Phase 2	Battlefield Airlift – Caribou Replacement	Battlefield Airlifter
SEA 1654 Phase 3	Maritime Operational Support Capability	Repl Replenishment Ships
AIR 7000 Phase 1B	Multi-mission Unmanned Aircraft System	Triton Drones ¹
AIR 5431 Phase 3	Civil Military Air Management System	CMATS
LAND 200 Tranche 2	Battlefield Command System	Battlefield Command System ¹

⁹ The Capability Acquisition and Sustainment Group (CASG) purchases and maintains military equipment and supplies in the quantities and to the service levels that are required by Defence and approved by Government. Available from <<http://www.defence.gov.au/casg/About.asp>> [accessed 8 August 2019].

¹⁰ The SEA 1448 Phase 2B ANZAC Anti-Ship Missile Defence project was removed from the MPR program following the achievement of FOC in June 2019.

JP 2072 Phase 2B	Battlespace Communications System Phase 2B	Battle Comm. Sys. (Land) 2B
AIR 7403 Phase 3	Additional KC-30A Multi-role Tanker Transport	Additional MRTT
SEA 1439 Phase 5B2	Collins Class Communications and Electronic Warfare Improvement Program	Collins Comms and EW
SEA 3036 Phase 1	Pacific Patrol Boat Replacement	Pacific Patrol Boat Repl
JP 9000 Phase 7	Helicopter Aircrew Training System	HATS
JP 2072 Phase 2A	Battlespace Communications System Phase 2A	Battle Comm. Sys. (Land) 2A
SEA 1442 Phase 4	Maritime Communications Modernisation	Maritime Comms
SEA 1448 Phase 4B	ANZAC Air Search Radar Replacement	ANZAC Air Search Radar Repl
LAND 53 Phase 1BR	Night Fighting Equipment Replacement	Night Fighting Equip Repl
JP 2008 Phase 5A	Indian Ocean Region UHF SATCOM	UHF SATCOM
SEA 1439 Phase 3	Collins Class Submarine Reliability and Sustainability ²	Collins R&S
JP 2048 Phase 3	Amphibious Watercraft Replacement	LHD Landing Craft

Note 1: SEA 5000 Phase 1 Future Frigates, SEA 1000 Phase 1B Future Submarine Design Acquisition, LAND 400 Phase 2 Combat Reconnaissance Vehicles, AIR 7000 Phase 1B Multi-mission Unmanned Aircraft System and LAND 200 Tranche 2 Battlefield Command System are included in the MPR Program for the first time in 2019–20.

Note 2: SEA 1439 Phase 3 Collins Class Submarine Reliability and Sustainability is a group of 22 activities primarily sustainment in nature. While not an acquisition project, it has been included on an ongoing basis at the JCPAA's request.

Defence's Roles and Responsibilities

1.15 Defence will provide each project's PDSS for the ANAO's review. The Secretary of the Department of Defence (Secretary) is responsible for ensuring that the PDSSs are prepared in accordance with these Guidelines, as endorsed by the JCPAA, and for ensuring that the PDSSs and supporting evidence provided to the ANAO for review are complete and accurate. The Secretary is also responsible for formally presenting the Defence MPR to the ANAO on completion of the PDSSs and associated commentary.

1.16 Defence is responsible for ensuring information of a classified nature is made available to the ANAO for review, as it relates to the data contained within the PDSSs. Data of a classified nature is to be prepared in such a way as to allow for unclassified publication. Defence will confirm to the ANAO the classification of information proposed to be published in the MPR. Defence will provide advice with regards to the aggregated security classification of information contained within the PDSS suite, and suitability for unclassified publication.

1.17 Defence's positions, roles and responsibilities are outlined in the table below.

Table 3: Defence's Positions, Roles and Responsibilities

Position	Role	Responsibility
Secretary of Defence	Defence accountability	<ul style="list-style-type: none"> Primary accountability for the completeness and accuracy of the Defence MPR. Sign off on the <i>Statement by the Secretary of Defence</i>, including Significant Events Occurring Post 30 June 2020.
Vice Chief of the Defence Force	Joint Force Authority	<ul style="list-style-type: none"> Provision of advice with regards to the aggregated security classification of information contained within the PDSS suite, and suitability for unclassified publication.
Defence Deputy Secretary Capability Acquisition and Sustainment Group (CASG)	Business Process Owner	<ul style="list-style-type: none"> Responsibility for CASG's portfolio of acquisition projects and sustainment products that procure and sustain materiel capability for the Australian Defence Force. Obtain cascading sign offs from Branch and Division Heads, on the data and content in the unclassified PDSS suite.

		<ul style="list-style-type: none"> • Clearance of the PDSSs and Defence analysis, or delegation as appropriate.
Chief Finance Officer Defence	Financial advice and assurance	<ul style="list-style-type: none"> • Responsibility for financial advice and information in the PDSS suite and Defence MPR. • Coordination and provision of corporate budget information. • Quality assurance of all financial data.
First Assistant Secretary Audit and Fraud Control	Compliance and assurance over processes	<ul style="list-style-type: none"> • Responsibility for ensuring Defence's compliance with the Guidelines. • Assurance over process and stakeholder engagement. • Provision of advice to, and facilitation of clearances by, the Secretary of Defence.
Director Program Approvals and Agreements	MPR management, coordination, liaison and accountability	<ul style="list-style-type: none"> • Liaison with ANAO senior management. • Advice to Deputy Secretary CASG and Secretary. • Clearance of the unclassified PDSS suite and Defence MPR. • Guidance and direction to project offices. • Manage the MPR Program and schedule with the ANAO MPR team. • Development, configuration management and quality assurance of the Defence MPR, PDSS suite and evidence packs to ensure completeness and accuracy.
Project Directors/Managers	PDSS development and generation of evidence packs	<ul style="list-style-type: none"> • Develop the project's PDSS and associated evidence packs, including the mapping of evidence to disclosures within the PDSS, in compliance with the Guidelines. • Actively engage the ANAO MPR team in its review of the project's PDSS.
Capability Managers	PDSS accountability and clearance	<ul style="list-style-type: none"> • Responsibility for confirming the project's status, particularly progress toward the Initial Materiel Release (IMR), Initial Operational Capability (IOC), FMR and FOC milestones. • Confirmation that the information contained within the PDSSs is unclassified.

MPR Process

1.18 The JCPAA identified the MPR as a Priority Assurance Review in its Report 429, *Review of the 2010–11 Defence Materiel Organisation Major Projects Report*. Consequently, Section 31 of the *Auditor-General Act 1997* provides the ANAO with full and free access powers in the conduct of the review. This will be facilitated by the Director Program Approvals and Agreements.

1.19 An indicative schedule for the MPR program has been established (refer to page 396). The schedule provides for a pre 30 June site visit period for the ANAO to conduct PDSS reviews of all projects. All project data should be prepared for this period at the date selected for the ANAO's review, without anticipating outcomes for the post 30 June review. A second period will be set aside after the end of the financial year for reviewing completed PDSSs.

1.20 Normally, at least five working days prior to the commencement of a project site visit, Defence will provide the ANAO with a Defence quality assured copy of the PDSS together with the relevant evidence pack (electronically). The evidence pack will be appropriately structured and mapped to the PDSS by the project for efficient review.

1.21 In accordance with natural justice provisions, contractors named within a PDSS will be consulted before Defence finalises the PDSS. The aim of the consultation is to provide the contractor with an opportunity to comment on relevant extracts from a project's PDSS. Defence will request contractors to provide the ANAO with a copy of their comments (including nil returns) in relation to any errors or misstatements in the PDSS. Defence will consider contractors' comments received within specified and reasonable time limits. Defence will also keep the ANAO apprised on how Defence intends to deal with the contractor responses to the PDSS suite.

1.22 The ANAO may also directly engage with contractors to seek any clarification on their comments on the project data, and will keep Defence apprised on feedback and outcomes.

Other Items to Note

1.23 As the PDSS is part of a public document, the following style conventions must be followed:

- (a) PDSSs should be kept to an optimum length of 10 pages, focus on key information, and updated based on the latest template included in this document (refer to page 391).
- (b) For repeat projects, changes from prior years are to be depicted in bold orange text.
- (c) Where possible, acronyms and jargon are not to be used. When acronyms are used, the first use must be spelt out in full.
- (d) Project names should be written in full or with the approved Defence abbreviation, and should be presented with an initial capital, e.g. Joint Strike Fighter.
- (e) All costs should be shown as \$m (millions) and be rounded to one decimal place (i.e. to the nearest \$100,000), with negative amounts in brackets.
- (f) Dates in the PDSS narratives should be presented as Month 20yy, and dates in the PDSS tables should be presented as mmm yy (e.g. Jul 09). Time variations should be shown as full months.
- (g) Any cells in a table not containing data should be shown as 'N/A'.

Requirements for the Preparation of the Project Data Summary Sheets (PDSS)

Heading	Data	Definition/Description
Project Header	Project Number	The number of the project as approved by government. This should be depicted in bold text.
	Project Name	The name of the project as approved by government. This should be depicted in bold upper case text.
	First Year Reported in the MPR	The year the project was first reported in the MPR. Use 20xx-xx date format.
	Capability Type	One of the following: <ul style="list-style-type: none"> • New; • Replacement; or • Upgrade.
	Acquisition Type	One of the following: <ul style="list-style-type: none"> • MOTS (Military-Off-The-Shelf) or COTS (Commercial-Off-The-Shelf); • Australianised MOTS; or • Developmental.
	Capability Manager	Either one or a combination of: <ul style="list-style-type: none"> • Chief of Navy; • Chief of Army; • Chief of Air Force; • Chief of Joint Capability; • Vice Chief of the Defence Force; or • Deputy Secretary Strategic Policy and Intelligence.
	Government 1st Pass Approval	The date Government First Pass Approval was given.

Heading	Data	Definition/Description
	Government 2nd Pass Approval (or key Government pre-Second Pass Approval)	The date Government Second Pass Approval was given (list dates for multiple Government Second Pass Approvals). Where a project has entered the MPR but has not yet achieved Second Pass Approval, a pre-Second Pass Approval date based on a key Government decision should be disclosed.
	Budget at 2nd Pass Approval	Disclose the approved project budget as at the most recent Government Second Pass Approval, excluding price indexation and exchange variation. This amount should equal the sub total of the project budget in Section 2.1 as at the most recent Second Pass Approval. Where a project has entered the MPR but has not yet achieved Second Pass Approval, a pre-Second Pass Approval budget based on a key Government decision should be disclosed.
	Total Approved Budget (Current)	The current approved project budget. This amount should equal the Total Budget in Section 2.1 Project Budget (out-turned) and Expenditure History.
	2019–20 Budget	The estimated project expenditure for 2019–20 as per the Portfolio Budget Statements (PBS) and/or the Portfolio Additional Estimates Statements (PAES), or other official budget tool when not available in the PBS or PAES. ¹¹ This amount should be equal to the Estimate Final Plan in Section 2.2A and Section 2.2B.
	Project Stage	The Life Cycle Gate stage applicable to the project according to the Maturity Score procedure. This should agree to the Project Stage recorded in the Monthly Reporting System (MRS) and Section 6.1 Project Maturity Score and Benchmark.
	Complexity	The Acquisition Categorisation (ACAT) level of the project.
	Project Image	Image of the project to be provided to the ANAO by the Defence MPR team in a separate file as a high resolution JPG.
SECTION 1 – PROJECT SUMMARY		
Section 1.1 Project Description	Description	A short description of the project, which summarises capability delivery and, where appropriate, equipment quantities. This information should be consistent with other sections of the PDSS.
Section 1.2 Current Status	Cost Performance	<u>In-year</u> At a strategic level, state the project's current progress against its in-year budget (specifying underspend or overspend), and provide a succinct explanation of causes for variations. This statement should agree to the In-year Budget/ Expenditure Variance explanation in Section 2.2B. Note: For the pre 30 June PDSS, projects should use the part-year result.

11 This amount may include updates since the last PAES, such as foreign exchange under the Government's 'no win, no loss' policy, or budget impacts resulting from other government decisions.

Heading	Data	Definition/Description
		<p><u>Project Financial Assurance Statement</u></p> <p>An additional 'project financial assurance statement' on the projects' budget performance should be disclosed, noting whether the budget remaining, together with the estimated future expenditure and current known risks, is sufficient for completing the project. Where it is determined that the budget is sufficient, the statement should be based on the following standard text:</p> <p>As at 30 June 2020, project [insert project number] has reviewed the project's approved scope and budget for those elements required to be delivered by Defence. Having reviewed the current financial 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.</p> <p>This statement should be modified accordingly when the budget is insufficient and/or to describe the project's unique circumstances (such as requiring the use of contingency, or to note cost risks disclosed in Section 5 – Major Risks and Issues of the PDSS). Where modified, the project should include a description of the actions the project is undertaking to address the insufficiency of the budget.</p> <p><u>Contingency Statement</u></p> <p>State whether the project has/has not applied contingency funds this financial year. Note that disclosure of contingency amounts is not required. Standard text:</p> <p>[positive case]: The project has applied contingency in the financial year primarily for the treatment of [a risk category¹²] risk [and where possible include linkage to Section 5 – Major Risks and Issues and specified remediation activities]; or</p> <p>[negative case]: The project has not applied contingency in the financial year.</p> <p>This section must be consistent with the data in Section 2 – Financial Performance.</p>
	Schedule Performance	<p>At a strategic level, briefly describe key schedule milestones achieved so far and issues facing the project in achieving future milestones. Milestone achievements or non-achievements in the current year should also be explained and include the variance in months.</p> <p>This section must be consistent with what is stated in Section 3 – Schedule Performance.</p>
	Materiel Capability Delivery Performance	<p>At a strategic level, provide a brief update on the materiel capability delivered to date, and expected future delivery. Detailed technical performance of systems is to be avoided and classified information is not to be disclosed.</p> <p>This section must be consistent with what is stated in Section 4 – Materiel Capability Delivery Performance.</p>

12 Refer to the Department of Defence, Defence Materiel Manual Project, DMM (PROJ) 11-0-002, *Project Risk Management Manual (PRMM) 2013*, July 2013, Annex G, for guidance. A replacement manual is in development.

Heading	Data	Definition/Description
Section 1.3 Project Context	Background	<p>A succinct summary level statement that covers Government approvals history and any strategic changes that have occurred since approval.</p> <p>For post-2011–12 MPR projects, if the projects' classification is not MOTS, an explanation must be provided to ensure that these options were explicitly considered and eliminated for particular reasons before final procurement decisions have been made.¹³ For projects approved under the Interim Capability Life Cycle model a short description of Defence's "Smart Buyer" risk assessment considered at Second Pass approval should also be included.</p> <p>For projects that have been announced as a Project of Concern by the Minister for Defence disclose:</p> <ul style="list-style-type: none"> • The date the project was announced as a PoC; • The reason for the project being placed on the POC list; • The remediation activities being undertaken; and • The date of removal from the list (if applicable). <p>Note: Stop payments or liquidated damages should be referred to here or elsewhere in Section 1 (disclosure of amounts is not required).</p>
	Uniqueness	A brief explanation of the particular aspects that make the project unique.
	Major Risks and Issues	<p>A succinct summary of the major risks and issues disclosed in Section 5 – Major Risks and Issues.</p> <p>In addition, where the project has achieved a milestone with caveats, a brief description of the caveats should be added.</p>
	Other Current Related Projects/Phases	List the current approved projects (i.e. Second Pass has been achieved) relating to the same platform and/or with the same main project number (e.g. SEA xxxx), including the phase of the project, and provide a brief description of the capability (i.e. one or two short sentences).
SECTION 2 – FINANCIAL PERFORMANCE		
Section 2.1 Project Budget (out- turned) and Expenditure History	Project Budget	
	Original Approved	Each PDSS should clearly identify the first approved budget by Government. This could be through an Original, Interim, First or Second pass approval. In brackets, disclose the Approval source (e.g. Government First or Second Pass Approval).
	Real Variation	<p>The variations to be included are shown below where they are applicable to the project with an explanation for each variation included within the Notes:</p> <p><u>"Subsequent Government Approvals"</u> Where additional funds have been approved by Government, projects are to disclose the addition of funds for that specific Government Approval in the description column and not as a real scope variation. If the approval is a Government First or Second Pass Approval, ensure it is in bold text.</p>

13 JCPAA, Report 429, *Review of the 2010–11 Defence Materiel Organisation Major Projects Report*, May 2012, p. 25.

Heading	Data	Definition/Description
		<p>“Scope” changes are attributable to changes in requirements by Defence and government. These generally take the form of changes in quantities of equipment, a change in requirements that result in specification changes in contracts, changes in logistics support requirements or changes to services to be provided which are accompanied by a corresponding budget adjustment.</p> <p>“Transfers” occur when a portion of the budget and corresponding scope is transferred to or from another approved project or sustainment product in CASG or to another Group in Defence in order to more efficiently manage delivery of an element of project scope and to vest accountability for performance accordingly.</p> <p>“Budgetary Adjustment” is made to account for corrections resulting from foreign exchange or indexation accounting estimation errors that might occur from time to time. Also included under this heading are administrative decisions that result in variations such as efficiency dividends imposed on project budgets or adjustments made to fund Defence initiatives.</p> <p>“Real Cost Increases” These funds have been approved by government to increase the Project’s budget (generally without a change in scope).</p> <p>“Real Cost Decreases” These funds have been handed back to the Defence Portfolio.</p> <p>The elements above are to be subtotalled to give a single amount for all real variations (including Government Second Pass Approvals).</p>
	Total at Second Pass Approval (or key Government pre-Second Pass Approval)	A subtotal should be in the \$m column which sums each individual Government approval and real variation, until the most recent Second Pass Approval (or key Government pre-Second Pass Approval). This figure should match the Budget at 2nd Pass Approval (or key Government pre-Second Pass Approval) in the Header section.
	Price Indexation	Variations to the Original Approved project cost due to price indexation and out-turning adjustments, to take account of variations in labour and materiel indices over time. This is disclosed where applicable, i.e. not for projects approved post-July 2010 in out-turned prices.
	Exchange Variation	Variations to the Original Approved project cost due to foreign exchange adjustments brought about by changes in foreign exchange rates for payments in foreign currency.
	Total Budget	<p>The sum of the above.</p> <p>This should reconcile with the FMIS as at 30 June. The Total Approved Budget in the Project Header should equal this figure.</p> <p>Note: For the pre 30 June PDSS, this amount and its components noted above should reconcile to the current Financial Management Information System (FMIS) Project Approvals extract.</p>
	Notes	For additional information as required, e.g. explanation for the reason for each Real Variation.

Project Expenditure	
Prior to Jul 19	<p>This item comprises all amounts incurred in all <u>periods prior</u> to the current reporting period (i.e. expenditure up to 30 June 2019). All expenditure is to be presented in brackets to indicate a negative figure.</p> <p>Reporting of expenditure is to be split into the following:</p> <p>“Contract Expenditure” against each of the top 5 contracts as listed in Section 2.3 Details of Project Major Contracts, restricted to contracts valued at greater than or equal to \$10m. Contract expenditure should be listed from highest to lowest value. Contracts with nil value should not be disclosed.</p> <p>“Other Contract Payments / Internal Expenses” which comprises operating expenditure, contractors, consultants, other capital expenditure not attributable to the aforementioned contracts and minor contract expenditure. It is generally expected that ‘other’ expenditure will not exceed 10% of total prior period expenditure. However, in the event that ‘other’ expenditure exceeds this threshold, additional explanation will be required within the Notes section outlining the key aspects of the expenditure including amounts to bring the amount of unexplained ‘other’ below 10%.</p> <p>The two expenditure elements above are to be subtotaled to give a single amount for all prior period expenditure.</p>
FY to Jun 20	<p>This item comprises all amounts incurred in the <u>current reporting period</u> (i.e. contract level expenditure from 1 July 2019 to 30 June 2020). All expenditure is to be presented in brackets to indicate a negative figure.</p> <p>Reporting of expenditure is to be split into the following:</p> <p>“Contract Expenditure” against each of the top 5 contracts as listed in Section 2.3 Details of Project Major Contracts, restricted to contracts valued at greater than or equal to \$10m. Contract expenditure should be listed from highest to lowest value. Contracts with nil value should not be disclosed.</p> <p>“Other Contract Payments / Internal Expenses” which comprises operating expenditure, contractors, consultants, other capital expenditure not attributable to the aforementioned contracts and minor contract expenditure. It is generally expected that ‘other’ expenditure will not exceed 10% of total expenditure in the current reporting period. However, in the event that ‘other’ expenditure exceeds this threshold, additional explanation will be required within the Notes section outlining the key aspects of the expenditure including amounts to bring the amount of unexplained ‘other’ below 10%.</p> <p>The two expenditure elements above are to be subtotaled to give a single amount for Financial Year (FY) expenditure.</p> <p>Note: For the pre 30 June PDSS, this amount should reconcile to the year to date expenditure in the FMIS and be equal to the Actual in Section 2.2B In-year Budget/Expenditure Variance.</p> <p>In addition, any stop payments or liquidated damages should be referred to in the Notes (disclosure of amounts is not required).</p>

	Total Expenditure	This item discloses total project expenditure as at the reporting date (i.e. 30 June 2020) and is the sum of prior period and current period expenditure reported above. All expenditure is to be presented in brackets to indicate a negative figure. Note: For the pre 30 June PDSS, this amount should reconcile to the life to date expenditure in the FMIS.
	Remaining Budget	The subtraction of total expenditure from total budget, thus showing the unspent portion of the approved budget, as at 30 June.
	Notes	For additional information as required, e.g. the breakdown of 'Other Contract Payments/Internal Expenses'.
Section 2.2A In-year Budget Estimate Variance	Estimate PBS \$m	The initial budget estimate for 2019–20, as published in the PBS.
	Estimate PAES \$m	The mid-year revised budget estimate for 2019–20, as published in the PAES. The variance, as an amount and percentage, should be calculated between the Estimate PAES and Estimate PBS.
	Estimate Final Plan \$m	The final revised budget estimate for 2019–20. The variance, as an amount and percentage, should be calculated between the Estimate Final Plan and Estimate PAES. This amount should be equal to the 2019–20 Budget figure in the Project Header and the Estimate Final Plan in Section 2.2B In-year Budget/Expenditure Variance.
	Total Variance	Budget estimate variances, and corresponding variance percentages, are to be disaggregated and disclosed separately. The variance, as an amount and percentage, should be calculated between the Estimate Final Plan and Estimate PBS.
	Explanation of Material Movements	The explanations for the material variance/s noted above, as published in appropriate supporting documentation, e.g. the PAES.
	Section 2.2B In-year Budget/ Expenditure Variance	Estimate Final Plan \$m
Actual \$m		The actual project expenditure incurred in the current reporting period (i.e. 2019–20). This amount should be equal to the FY to Jun 20 Total Expenditure in Section 2.1 Project Budget (out-turned) and Expenditure History. Note: For the pre 30 June PDSS, projects should use the part-year result (i.e. 'Actual Total' in the MRS Majors Budget Performance Total report, or the FMIS.

	Variance \$m	Budget expenditure variances are to be disaggregated and disclosed separately as per the variance factors described below. The sum of these should give a total variance equal to the difference between the Estimate and Actual expenditure. The variance percentage should also be calculated between the Estimate and Actual expenditure.
	Variance Factor	This section provides a range of factors attributable to the cause of the variances between the Budget Estimate and Actual expenditure. These are expressed as the standard variance factors of: <ul style="list-style-type: none"> • Australian Industry; • Foreign Industry; • Early Processes; • Defence Processes; • Foreign Government Negotiations/Payments; • Cost Saving; • Effort in Support of Operations; and • Additional Government Approvals.
	Explanation	Explanations must address all of the variance factors noted above, where relevant. Material changes following the publication of the PAES may require an explanation. This explanation should be equal to the In-year Cost Performance statement in Section 1.2.
Section 2.3 Details of Project Major Contracts	Contractor ¹⁴	List the contractors for the top 5 contracts valued at greater than or equal to \$10m. Contractors should be listed in order of signature date (in ascending order). The top five contracts listed should be the same as the contracts listed in Section 2.1 Project Budget (out-turned) and Expenditure History.
	Signature Date	The date the contract was signed.
	Price at Signature \$m and 30 Jun 20 \$m	<u>Signature \$m</u> The value of the contract at signature. <u>30 Jun 2020 \$m</u> The value of the contract at 30 June 2020 (i.e. value spent as per Section 2.1 Project Budget (out-turned) and Expenditure History plus remaining commitment as at the spot exchange rates as recorded in the FMIS at 30 June 2020). All values are exclusive of GST. Note: For the pre 30 June PDSS, projects should use the life to date expenditure per Section 2.1 plus remaining commitment in the FMIS as above.
	Type (Price Basis)	Choices for this include: <ul style="list-style-type: none"> • Firm (or Fixed); • Variable; • Cost Ceiling (capped); or • Reimbursement (for FMS).

14 The definition of 'contractor' in Section 2.3 Details of Major Project Contracts, includes contractors from direct commercial sales, and also foreign government arrangements such as Memoranda of Understanding, FMS or Cooperative Programs.

		For further information including templates refer to the ASDEFCON Suite of Tendering and Contracting Templates on the Defence intranet.
	Form of Contract	This refers to the contract template used, e.g. ASDEFCON (Strategic, Complex etc.). For unique arrangements such as Alliance or Public Private Partnership, they would need to be specially treated (noting the key signatories to the arrangement). Projects should seek the advice of the Defence MPR team. For Foreign Military Sales, declare “FMS”. For Memorandum of Understanding, declare “MoU”.
	Notes	For additional information as required, e.g. description of new contract or contract changes.
	Contractor	List the contractors for the top 5 contracts valued at greater than or equal to \$10m. Contractors should be listed in order of signature date (in ascending order), i.e. same order as above. The top five contracts listed should be the same as the contracts listed in Section 2.1 Project Budget (out-turned) and Expenditure History.
	Contracted Quantities as at Signature and 30 Jun 20	The quantity of major equipment under contract as at the date the contract was signed and also as at 30 June 2020. The quantity of contracted equipment should only be provided at a summary level.
	Scope	Briefly describe the scope of the contract deliverables. Generally only include hardware in this section and restrict it to a platform level summary, disclosing only major prime mission and support system elements, e.g. ‘Upgraded Collins Class Submarines’.
	Notes	For additional information as required.
	Major equipment accepted and quantities to 30 Jun 20	Detail the major equipment and quantities the project has accepted to 30 June 2020.
	Notes	For additional information as required.
SECTION 3 – SCHEDULE PERFORMANCE		
Section 3.1 Design Review Progress	Review	The events to be included are shown below as they are applicable to the project: <ul style="list-style-type: none"> • System Requirements; • Preliminary Design; and • Critical Design. If some or all of the above events are not applicable, other or alternative reviews, for instance, unique arrangements or redesigns, should be included.
	Major System/ Platform Variant	State the major system that the design review refers to. Significant variants for the major systems should also be included.
	Original Planned	The originally planned achievement dates for the events per the contract at execution.
	Current Contracted	Replanned dates as evidenced by a contract amendment.
	Achieved/Forecast	<u>Achieved</u> : The date the event was achieved as supported by evidence, or

		<u>Forecast</u> : The expected date for achievement supported by the project schedule (e.g. as recorded in Open Plan Professional (OPP)).
	Variance (Months)	The difference between 'Original Planned' and 'Achieved/Forecast'.
	Notes	A top level description of the reasons for the variance to Achieved/Forecast dates, and any additional background information as required.
Section 3.2 Contractor Test and Evaluation Progress	Test and Evaluation	The events to be included are shown below as they are applicable to the project: <ul style="list-style-type: none"> • System Integration; and • Acceptance. If some or all of the above events are not applicable, other or alternative test and evaluation activities, for instance, unique arrangements or activities associated with redesign, should be included.
	Major System/ Platform Variant	State the major system that the Test and Evaluation event refers to. If there are significant variants for the major systems, then state what they are.
	Original Planned	The originally planned achievement dates for the events per the contract at execution.
	Current Contracted	The revised planned achievement dates as evidenced by a contract amendment.
	Achieved/Forecast	<u>Achieved</u> : The date the event was achieved as supported by evidence; or <u>Forecast</u> : The expected date for achievement supported by the project schedule (e.g. as recorded in OPP).
	Variance (Months)	The difference between 'Original Planned' and 'Achieved/Forecast'.
	Notes	A top level description of the reasons for the variance to Achieved/Forecast dates, and any additional background information as required.
	Section 3.3 Progress Toward Materiel Release and Operational Capability Milestones	Item
Original Planned		The original date on which the Materiel Release or Operational Capability milestone was scheduled for achievement.
Achieved/Forecast		<u>Achieved</u> : The date the event was achieved as supported by evidence; or <u>Forecast</u> : The expected date for achievement supported by the project schedule (e.g. as recorded in OPP).
Variance (Months)		The difference between 'Original Planned' and 'Achieved/Forecast'.
Notes		A top level description of the reasons for and implications of the variance to 'Achieved/Forecast' dates. Where the project has achieved a milestone with caveats, a brief description of the caveats should be added.
Schedule Status at 30 June 2020	Graph	The Defence MPR team will use the projects existing detail on: Second Pass Approval, Initial Materiel Release (IMR), Initial Operational Capability, Final Materiel Release (FMR) and Final Operational Capability, to produce the graph.

SECTION 4 – MATERIEL CAPABILITY DELIVERY PERFORMANCE		
Section 4.1 Measures of Materiel Capability Delivery Performance	Pie Chart: Percentage Breakdown of Materiel Capability Delivery Performance	<p>Capability Pie Chart and associated narratives will provide a percentage breakdown of the Materiel Release Milestones and Completion Criteria, as identified in the MAA and/or JPD, at 30 June 2020.</p> <p>The pie chart analysis/narrative (Green, Amber and Red) is to be provided at the <u>strategic</u> level, including:</p> <ul style="list-style-type: none"> • <u>Issues</u> impacting the achievement of Materiel Release Milestones and Completion Criteria; and • <u>Remedial activity</u> to recover performance. <p>Where there is no data insert 'N/A'.</p> <p>Detailed technical performance of systems is to be avoided, and classified information is not to be disclosed.</p> <p>Where the project has not yet achieved IMR, the statement against the Green traffic light should be written in future tense, i.e. <i>“The project expects to meet capability requirements as expressed in the Materiel Acquisition Agreement...”</i>, as opposed to <i>“The project is currently meeting...”</i>.</p> <p>Note: The analysis and narrative disclosures should align with information in the MRS Majors Capability report. Defence may need to provide alternative evidence to support disclosures which are not able to be supported by MRS.</p>
Section 4.2 Constitution of Materiel Release and Operational Capability Milestones	Item	Represented at a whole of capability level, i.e. IMR, IOC, FMR and FOC.
	Explanation	<p>A top level description of the materiel release and operational capability elements as stipulated in the MAA, at 30 June 2020, including an indication of whether or not these milestones have been achieved.</p> <p>If the milestone has not been met, include a statement to indicate when the milestone is expected to be achieved.</p> <p>The milestones to be included are shown below as they are applicable to the project:</p> <ul style="list-style-type: none"> • Initial Materiel Release; • Initial Operational Capability; • Final Materiel Release; and • Final Operational Capability. <p>If some or all of the above events are not applicable, other or alternative milestones, for instance operational release milestones, should be included.</p> <p>Note: Where the project has achieved a milestone with caveats, a brief description of the caveats should be added.</p>
	Achievement	Standard text, i.e. Achieved; Not yet achieved; or Achieved with caveats.

SECTION 5 – MAJOR RISKS AND ISSUES		
Section 5.1 Major Project Risks	Identified Risks (risks identified by standard project risk management processes)	<p><u>Description:</u> A major project risk is one that is rated high or extreme pre-mitigation.</p> <p><u>Remedial Action:</u> The risk mitigation/treatment proposed for the risk identified (these must be actionable measures). If the risk has been retired or the pre-mitigation rating has been downgraded to medium, this should be documented along with the reason; the risk can then be removed in the subsequent MPR.</p> <p>Where contingency has been applied to treat a risk the wording should be consistent with Section 1.2 Current Status - Cost Performance - Contingency Statement.</p> <p><u>Note:</u> All high and extreme risks require disclosure. The disclosures may be aggregated to include multiple risks against one common description. In addition, a mapping of all risks from project risk logs to the PDSS is required.</p>
	Emergent Risks (risks not previously identified but have emerged during 2019–20)	<p><u>For repeat projects only.</u></p> <p><u>Description:</u> A major project risk that was not previously identified in the risk log but has emerged this year, rated as high or extreme pre-mitigation. This includes project risks previously rated medium or low pre-mitigation.</p> <p><u>Remedial Action:</u> The risk mitigation/treatment proposed for the risk identified (these must be actionable measures). The risk becomes an Identified Risk in the subsequent MPR.</p> <p>Where contingency has been applied to treat a risk the wording should be consistent with Section 1.2 Current Status - Cost Performance - Contingency Statement.</p> <p><u>Note:</u> All high and extreme emergent risks require disclosure. The disclosures may be aggregated to include multiple risks against one common description. In addition, a mapping of all emergent risks from project risk logs to the PDSS is required.</p>
Section 5.2 Major Project Issues	Description	<p>Issues are high or extreme risks that have been realised or issues that have arisen that require management action to address.</p> <p><u>Note:</u> All high and extreme issues require disclosure. In addition, a mapping of all issues from project issues logs to the PDSS is required.</p> <p>Where the project has achieved a milestone with caveats, caveats should be disclosed as separate issues. On the removal of the caveat, it should also be clear to the reader whether the underlying shortfall/issue has been resolved.</p>
	Remedial Action	<p>The remediation action proposed for the issue identified. If the issue has been resolved or downgraded to medium, this should be documented along with the reason; the issue can then be removed in the subsequent MPR.</p>

SECTION 6 – PROJECT MATURITY		
Section 6.1 Project Maturity Score and Benchmark	Project Stage	The Life Cycle Gate stage applicable to the project according to the Maturity Score procedure. ¹⁵ This should be the same as the project stage in the Project Header.
	Benchmark	The Benchmark Maturity Score applicable to the project according to the Maturity Score procedure.
	Project Status	The Project Status applicable to the project according to the Maturity Score procedure. This should be equal to the Maturity Score recorded in the June 2020 MRS Majors Master Data report.
	Explanation	A short explanation is required for each attribute of the Maturity Score (Schedule, Cost, Requirement, Technical Understanding, Technical Difficulty, Commercial, and Operations and Support) where there is a difference between the Project Status and Benchmark scores, explaining the reasons for the variance.
	Graph	The Defence MPR team will use the prior and current year 'Project Status' scores, to produce the graph.
SECTION 7 – LESSONS LEARNED		
Section 7.1 Key Lessons Learned	Description	Describe the project lesson (at the strategic level) that has been learned.
	Categories of Systemic Lessons	Select from the following 'Systemic Lessons' ¹⁶ categories where they are applicable to the project: <ul style="list-style-type: none"> • Requirements Management; • First of Type Equipment; • Off-The-Shelf Equipment; • Contract Management; • Schedule Management; • Resourcing; and/or • Governance.
SECTION 8 – PROJECT LINE MANAGEMENT		
Section 8.1 Project Line Management as at 30 June 2020	Position and names of the Project's Line Management	List the names of the senior management team as appropriate to the project. This should include: <ul style="list-style-type: none"> • Division Head or Program Manager; • Branch Head; • Project Director; and • Project Manager. This list will contain those persons who occupied their respective position as at 30 June 2020.

15 Refer to the Department of Defence, Defence Materiel Standard Procedure (Project Management), DMSP (PROJ) 11-0-007, *Project Maturity Scores at Life Cycle Gates*, September 2010, for guidance.

16 ANAO Report No.13 2009–10, *2008–09 Major Projects Report*, November 2009, Part 3, paragraph 3.25, p. 122.

Project Data Summary Sheet Template¹⁷

Project Number		Project Image.
Project Name		
First Year Reported in the MPR		
Capability Type		
Acquisition Type		
Capability Manager		
Government 1st Pass Approval		
Government 2nd Pass Approval (or key Government pre-Second Pass Approval)		
Budget at 2nd Pass Approval (or key Government pre-Second Pass Approval)		
Total Approved Budget (Current)		
2019–20 Budget		
Project Stage		
Complexity		

Section 1 – Project Summary

1.1 Project Description

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1.2 Current Status

<p>Cost Performance</p> <p><u>In-year</u></p> <p><u>Project Financial Assurance Statement</u></p> <p><u>Contingency Statement</u></p>
<p>Schedule Performance</p>
<p>Materiel Capability Delivery Performance</p>
<p>Note</p> <p>Forecast dates and capability assessments are excluded from the scope of the Auditor-General's Independent Assurance Report.</p>

1.3 Project Context

<p>Background</p>
<p>Uniqueness</p>
<p>Major Risks and Issues</p>
<p>Other Current Related Projects/Phases</p>

17 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.

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

Section 2 – Financial Performance

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
	Project Budget		
	Original Approved (Government First/Interim/Second Pass Approval)		
	Real Variation – Scope		
	Real Variation – Transfer		
	Total at Second Pass Approval (or key Government pre-Second Pass Approval)		
	Real Variation – Budgetary Adjustment		
	Real Variation – Real Cost Increase / Decrease		
Jul 10	Price Indexation*		
Jun 20	Exchange Variation		
Jun 20	Total Budget		
	Project Expenditure		
Prior to Jul 19	Contract Expenditure – Contractor 1		
	Contract Expenditure – Contractor 2		
	Contract Expenditure – Contractor 3		
	Contract Expenditure – Contractor 4		
	Contract Expenditure – Contractor 5		
	Other Contract Payments / Internal Expenses		
FY to Jun 20	Contract Expenditure – Contractor 1		
	Contract Expenditure – Contractor 2		
	Contract Expenditure – Contractor 3		
	Contract Expenditure – Contractor 4		
	Contract Expenditure – Contractor 5		
	Other Contract Payments / Internal Expenses		
Jun 20	Total Expenditure		
Jun 20	Remaining Budget		
Notes			
1			
2			
3			
4			

*Note – Those projects approved in ‘out- turned’ dollars will not contain an entry for ‘Price Indexation’. In these instances this line can be removed.

2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
Variance \$m			Total Variance (\$m): XXX
Variance %			Total Variance (%): XXX

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
			Australian Industry	
			Foreign Industry	
			Early Processes	
			Defence Processes	
			Foreign Government Negotiations/Payments	
			Cost Saving	
			Effort in Support of Operations	
			Additional Government Approvals	

			Total Variance
			% Variance

2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature \$m	30 Jun 20 \$m			
Contractor 1						
Contractor 2						
Contractor 3						
Contractor 4						
Contractor 5						
Notes						
1						
Contractor	Contracted Quantities as at		Scope	Notes		
	Signature	30 Jun 20				
Contractor 1						
Contractor 2						
Contractor 3						
Contractor 4						
Contractor 5						
Major equipment accepted and quantities to 30 Jun 20						
Notes						
1						

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						
Preliminary Design						
Critical Design						
Notes						
1						
2						
3						
4						

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						
Acceptance						
Notes						
1						
2						
3						
4						

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)				
Initial Operational Capability (IOC)				
Final Materiel Release (FMR)				
Final Operational Capability (FOC)				
Notes				
1				
2				
3				

4	<p>Schedule Status at 30 June 2020</p> <p>Defence MPR Team to insert graph</p>
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Note
Forecast dates in Section 3 are excluded from the scope of the Auditor-General's Independent Assurance Report.

Section 4 – Materiel Capability Delivery Performance

4.1 Measures of Materiel Capability Delivery Performance

Pie Chart: Percentage Breakdown of Materiel Capability Delivery Performance	
<p>Defence MPR Team to insert Pie Chart</p>	<u>Green:</u>
	<u>Amber:</u>
	<u>Red:</u>

Note
This Pie Chart 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)		
Initial Operational Capability (IOC)		
Final Materiel Release (FMR)		
Final Operational Capability (FOC)		

Section 5 – Major Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
Emergent Risks (risk not previously identified but has emerged during 2019–20)	
Description	Remedial Action

5.2 Major Project Issues

Description	Remedial Action

Note
Major risks and issues in Section 5 are excluded from the scope of the Auditor-General's Independent Assurance Report.

Section 6 – Project Maturity

6.1 Project Maturity Score and Benchmark

Maturity Score		Attributes							Total
		Schedule	Cost	Requirement	Technical Understanding	Technical Difficulty	Commercial	Operations and Support	
Project Stage	Benchmark								
	Project Status								
	Explanation	<ul style="list-style-type: none"> 							
Defence MPR Team to insert graph									

Section 7 – Lessons Learned

7.1 Key Lessons Learned

Description	Categories of Systemic Lessons

Section 8 – Project Line Management

8.1 Project Line Management as at 30 June 2020

Position	Name
Division Head	
Branch Head	
Project Director	
Project Manager	

Indicative 2019–20 MPR Program Schedule

Event	Start Date	End Date
Planning for the 2019–20 MPR (including review of outcomes of the 2018–19 program)	Dec 19	Jan 20
Defence and ANAO finalise preparations for the 2019–20 MPR program in time for the JCPAA Hearing	Jan 20	Mar 20
ANAO provide the Engagement Letter and Review Strategy to the Secretary of Defence ¹⁸	Feb 20	Jun 20
Defence MPR provide program advice to the project offices	Feb 20	Feb 20
Defence MPR management finalise preparation with the project offices	Feb 20	Feb 20
Project site visits conducted by the ANAO	Mar 20	Jun 20
End Of Financial Year advice to project offices	Jul 20	Jul 20
Post 30 June PDSS reviews	Jul 20	Sep 20
ANAO submits 2019–20 MPR Guidelines and Project Selection to the JCPAA	Aug 20	Aug 20
Development of the Defence 2019–20 MPR	Aug 20	Oct 20
ANAO develops its Assurance, Review and Analysis for provision to the Secretary	Aug 20	Oct 20
Defence provides advice to the ANAO regarding the security classification of the aggregated PDSS suite	Oct 20	Oct 20
Secretary submits formal draft Defence section of the 2019–20 MPR to the Auditor-General	Oct 20	Oct 20
Defence response to the ANAO Assurance, Review and Analysis for provision to the Auditor-General	Oct 20	Oct 20
ANAO response to the Defence 2019–20 MPR to Defence	Oct 20	Oct 20
ANAO internal clearance of the 2019–20 MPR (Publication and Tabling)	November 2020	

¹⁸ Timing will depend on the JCPAA hearing to ensure key priorities of the JCPAA are considered.