

## Project Data Summary Sheet<sup>146</sup>

Project Number	SEA1180 Phase 1
Project Name	OFFSHORE PATROL VESSEL
First Year Reported in the MPR	2018-19
Capability Type	Replacement
Capability Manager	Chief of Navy
Government 1st Pass Approval	Apr 16
Government 2nd Pass Approval	Nov 17
Budget at 2nd Pass Approval	\$3,639.1m
Total Approved Budget (Current)	\$3,648.6m
2021-22 Budget	\$366.8m
Complexity	ACAT II



### Section 1 – Project Summary

#### 1.1 Project Description

Project SEA1180 Phase 1 Offshore Patrol Vessel (OPV) will acquire 12 new vessels based on an existing design, to replace and improve upon the capability delivered by the Armidale Class Patrol Boats (ACPB). The primary role of the SEA1180 Phase 1 OPV will be maritime patrol and response operations in support of the National Civil Surveillance Program (NCSP) in order to contribute to protecting Australia's territory, territorial seas, and Economic Exclusion Zone (EEZ) (Constabulary Tasks). In addition to the 12 OPVs, the Project will acquire sea boats for the vessels, through a separate contract. These consist of two Rigid Hull Inflatable Boats and one Rapid Intercept Craft for each OPV to facilitate boarding operations.

#### 1.2 Current Status

##### Cost Performance

###### In-year

The project achieved \$231.4m spend out of \$366.8m budget. The End Of Financial Year (EOFY) variance is primarily due to the shift in deliverables including the support system and delay in current build performance (\$104m). Other causes include shift in milestone deliverables against OPV transition (\$12.5m), ADF seaboat program (\$6.5m), training systems (\$9m) and government furnished equipment (\$3.4m).

###### Project Financial Assurance Statement

As at 30 June 2022, project SEA1180 Phase 1 has undertaken a review of the approved scope and budget for those elements required to be delivered by Defence. As at the reporting date, and with regards to the current financial and contractual obligations of the project, current known risks and estimated future expenditure, Defence considers as at the reporting date, there is sufficient budget with contingency remaining for the project to complete against the agreed scope.

###### Contingency Statement

The project has applied contingency in the financial year primarily for the treatment of high risk relating to the delivery of OPV 3 (Pilbara) leading to an impact on OPV Operational Capability (OC), capability and reputation.

##### Schedule Performance

The Project achieved Second Pass Government approval on 24 November 2017 and contract signature with Luerssen Australia on schedule on 31 January 2018. An intensive design review program has been conducted and the project commenced construction of the first OPV in South Australia in November 2018 on schedule. A Whole of Ship Design Review was added to the program and conducted in late October 2019. The Support System Detailed Design Review was delayed to September 2021 to allow a Logistic Support Analysis program to be established effectively in November 2020.

The construction of the first OPV commenced on schedule in November 2018 in South Australia at which time the ships were announced as the Arafura Class. The contracted keel laying milestone for OPV 1 (Arafura) was achieved in February 2019 with the keel laying ceremony occurring on 10 May 2019. Production of the second OPV (Eyre) commenced in June 2019, two months ahead of schedule. The keel laying for OPV 2 occurred on 9 April 2020. OPV 3 (Pilbara) commenced construction in Western Australia ahead of schedule on 27 March 2020. OPV 4 (Gippsland) also commenced construction on schedule on 4 January 2021, with the keel laying ceremony held on 30 July 2021. OPV 5 (Illawarra) commenced construction on schedule on 1 November 2021. Nuship Arafura was launched on 16 December 2021. The keel laying milestone OPV 5 (Illawarra) was achieved on 22 March 2022.

As a result of delays created by COVID-19, delivery of Nuship *Arafura* by Luerssen will be further delayed from the last MPR forecast date of June 2022. The program is working collaboratively with Navy to reduce the impact of ship delivery to Initial Operational Capability (IOC). The Project is on track to achieve the Final Materiel Release (FMR) milestone.

146 Notice to reader

Forecast dates and Sections: 1.2 (Materiel Capability/Scope Delivery Performance), 1.3 (Major Risks and Issues), 4.1 (Measures of Materiel Capability/Scope Delivery Performance), and 5 (Major Risks and Issues) are excluded from the scope of the ANAO's review of this Project Data Summary Sheet. Information on the scope of the review is provided in the *Independent Assurance Report by the Auditor-General in Part 3* of this report.

### **Materiel Capability/ Scope Delivery Performance**

As a consequence of COVID-19 impacts on the construction schedule, there have been delays in the delivery of the first OPV, however opportunities are being sought by the prime contractor to still deliver the entire 12 Offshore Patrol Vessels and achieve Final Operational Capability (FOC).

In June 2021, due to delays in delivery as a result of COVID-19 and technical certification concerns by Navy, Luerssen Australia was directed to terminate the main gun contract with Leonardo Australia and investigate an interim gun solution. The interim main gun for the Arafura OPVs will be the existing Navy, 25mm Typhoon Mod 0 from Armidale Class Patrol Boats until a replacement gun is identified, which will account for a revised threat assessment and a requirement for commonality.

#### **Note**

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

### 1.3 Project Context

#### **Background**

The SEA1180 Phase 1 Offshore Patrol Vessel (OPV) Project will acquire 12 OPVs to replace the existing Armidale Class Patrol Boats (ACPB). The primary role of the Arafura OPV is constabulary operations, and each ship will carry two crane-launched 8.5m Rigid Hull Inflatable Boats (RHIB) and one 10.5m Rapid Intercept Craft (RIC) launched via the stern of the vessel to facilitate boarding operations.

In August 2015, the Government announced that SEA1180 Phase 1 would become part of the continuous naval shipbuilding program and brought forward the construction of the OPV by two years to enable the start of the naval shipbuilding program by 2018.

In September 2015, the Government approved funding for the commencement of the Competitive Evaluation Process (CEP) for SEA1180 Phase 1. Interim Pass Project Approval was provided by Government in November 2015 and First Pass Approval was provided in April 2016.

The CEP consisted of an Analysis of Alternatives, a Risk Reduction Design Study (RRDS), a Request for Tender and an Offer Definition Improvement Activity. The Government also announced at First Pass that OPV designs from Damen (Netherlands), Fassmer (Germany) and Luerssen (Germany) had been shortlisted for the RRDS. Furthermore, the Government stated the first two OPVs would be built in Adelaide (Osborne Naval Shipyard) from 2018 and then transfer to Western Australia (Henderson Maritime Precinct) in 2020.

The Request for Tender was released in November 2016. Upgrade of the Osborne Naval Shipyard was announced by the Government in December 2016. The CEP culminated with the Government announcing Luerssen as the preferred tenderer on 24 November 2017. The Government also announced that ASC Shipbuilding would be utilised for the first two OPVs and that the capabilities of Austal and Cimvec would be used to build ten OPVs subject to the conclusion of commercial negotiations between Luerssen and Austal.

The contract for the construction of 12 OPVs was signed with Luerssen Australia on 31 January 2018. Luerssen nominated Cimvec to construct the remaining ten OPVs and contracted Cimvec initially to acquire and prepare the steel and pipe for all 12 OPVs from Australian sources (where available). Luerssen also established contracts with L3 Communications as a systems integrator and Saab Australia for a Situational Awareness System. The Commonwealth elected to purchase the RHIBs and RICs based on Luerssen's OPV design directly from Boomeranger.

To reduce the risk associated with commencing construction, the OPV Platform System was divided into two platform design streams (Stream A and B) and design streams for major subsystems, the Situational Awareness System and the Communication and Navigation System. Stream A consisted of the six keel blocks of the ship's hull which represented the high maturity of design enabling production to commence. Stream A was subject to a design and production readiness review process enabling construction to commence on schedule. Stream B are the remaining blocks which comprise the remainder of the OPV Platform. The internal components of these blocks were subject to some design change to accommodate those aspects of the OPV design that were modified to comply with Australian Government legislation or to meet Navy's requirements for commonality or interoperability with other Australian Defence Force units.

The OPV Situational Awareness System includes a version of the Saab 9LV Combat System. The sensors and weapons to be integrated include a 2D radar, a main gun, an Electro Optical Surveillance System, Electro Optical Device and Electronic Support Measures.

The OPV Communication and Navigation System (CNS) includes an integrated electronic navigation system, internal and external communications systems such as Satellite Communication (SATCOM), Maritime Tactical Wide Area Network (MTWAN) and High Data Rate Line of Sight (HDRLoS) capability. The ship will also have an Integrated Platform Monitoring System. The Support System is based on new analysis built from a combination of new and existing support data. For that reason, it lags the development of the Platform System. Contract Change Proposal (CCP) 007 adjusted the Support System development and also introduced a Whole of Ship Design Review enabling completion of the design phase.

The project did not undergo a Smart Buyer Risk Assessment due to it already having had a similar risk review as part of an Independent Assurance Review.

#### **Uniqueness**

The Arafura OPV design is based on an existing design in service with the Royal Brunei Navy (Darussalam Class). Only minimal changes were necessary to meet Australian Legislative and Regulatory requirements and specific ADF communications and situational awareness needs, the inclusion of a bow thruster and an additional reverse osmosis plant.

#### **Major Risks and Issues**

The project continues to experience production resource constraints at Osborne and Henderson stemming from COVID-19 restrictions over the past two years and competition for production and niche engineering resources. Consequently, risks tracked include progress in production for OPV 1 (Arafura) and OPV 3 (Pilbara) with resource competition in WA raised as a child risk to the latter. Risk to progress in Support Products and the Safety Case deliverables are also being closely tracked and prioritised for mitigation by the Project Office.

#### **Other Current Related Projects/Phases**

Related Projects include:

## **Project Data Summary Sheets**

Auditor-General Report No.12 2022-23  
2021-22 Major Projects Report

SEA5000 – Hunter Class future Frigate: Nine Hunter Class (FFGs) frigates will be based on BAE Systems' Type 26 Global Combat Ship design, modified to meet Australian requirements, and will be built in Osborne, South Australia as part of the Continuous Naval Shipbuilding (CNS) Program.
N2263 – Infrastructure Project for Arafura Class. The project will provide berthing, training, maintenance, logistics, and support facilities at HMAS <i>Stirling</i> , HMAS <i>Coonawarra</i> , and HMAS <i>Cairns</i> to support the introduction into service of 12 new Offshore Patrol Vessels (OPV) being delivered by Luerssen.
<b>Note</b>
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
<b>Project Budget</b>			
Sep 15	Original Approval	10.0	1
Nov 15	Interim Pass Approval	1.5	2
Apr 16	Government First Pass Approval	45.9	3
Nov 17	Government Second Pass Approval	3,581.7	4
	<b>Total at Second Pass</b>	<b>3,639.1</b>	
Jun 22	Exchange Variation	9.5	
Jun 22	<b>Total Budget</b>	<b>3,648.6</b>	
<b>Project Expenditure</b>			
Prior to Jul 21	Contract Expenditure - Luerssen Australia	664.8	5
	Contract Expenditure – Nova Defence	39.1	
	Contract Expenditure - Boomeranger Boats Oy	5.3	
	Other Contract Payments/Internal Expenses	104.3	6
		<b>813.4</b>	
FY to Jun 22	Contract Expenditure - Luerssen Australia	173.3	5
	Contract Expenditure – Nova Defence	8.5	
	Contract Expenditure - Boomeranger Boats Oy	4.4	
	Other Contract Payments/Internal Expenses	45.2	7
		<b>231.4</b>	
Jun 22	<b>Total Expenditure</b>	<b>1,044.9</b>	
Jun 22	<b>Remaining Budget</b>	<b>2,603.7</b>	

Notes	
1	Funding in support of bringing the SEA1180 Phase 1 project forward by two years and establishing a continuous onshore build.
2	Funding for the conduct of the initial phase of the Competitive Evaluation Process (CEP).
3	Continuation/Completion of CEP which included Project Support, a Risk Reduction Design Study and Schedule Protection Activities.
4	This approval included \$103.7 million to support the transition from Armidale Class Patrol Boats to the new SEA1180 Arafura Class Offshore Patrol Vessels, including support for the life of type extension and lease extension of two Cape Class Patrol Boats (CCPB).
5	Prime Contract with Luerssen Australia Pty Ltd. The scope of this contract is explained further in Section 2.3 – Details of Project Major Contracts.
6	Other expenditure prior to July 2021 comprises \$29.7m for the Risk Reduction Design Study and Schedule Protection Activity; \$13.4m Luerssen Australia Pty Ltd Licence & facilities costs; \$6.9m EM Solutions and \$54.3m for other contract payments/internal expenses.
7	Other expenditure comprises \$5.9m BAE Systems – Maintenance and upgrade works at HMAS Melville, \$5.6m Luerssen Australia Pty Ltd. Licence & facilities costs, \$4.1m L3Harris INDS hardware and non-DEWL software, \$3.6m IBM Australia Maritime Information Environment upgrade, \$16.2m Contractors, \$2.8m Insurance, \$4.8m Pass through costs and \$2.2m other operating expenditure, contractors, consultants, and other capital expenditure not attributable to the listed contracts.

### 2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
366.5	367.8	366.8	PBS-PAES: and PAES – Estimate Final Plan variances is due to foreign exchange rates.
Variance \$m	1.3	(1.0)	Total Variance (\$m): 0.3
Variance %	0.4	(0.3)	Total Variance (%): 0.1

### 2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
		(3.6)	Australian Industry	The variation is primarily due to the shift in deliverables including the support system and delay in current build performance (\$104m). Other causes include shift in milestone deliverables against OPV transition (\$12.5m), ADF seaboat program (\$6.5m), training systems (\$9m) and government furnished equipment (\$3.4m).
		(6.6)	Foreign Industry	
		(124.7)	Early Processes	
		(0.4)	Defence Processes	
			Foreign Government Negotiations/Payments	
			Cost Saving	
			Effort in Support of Operations	

			Additional Government Approvals
366.8	231.4	(135.3)	<b>Total Variance</b>
		(36.9)	<b>% Variance</b>

### 2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature \$m	30 Jun 22 \$m			
Luerssen Australia	31 Jan 18	1,988.0	2,541.3	Fixed with forecast Escalation	Standard Defence Contract (Complex)	1,2
Boomeranger Boats Oy	9 Oct 19	42.2	53.0	Fixed with forecast Escalation	Modified Standard Defence Contract	1,2
Nova Defence	3 Jun 16	12.6	56.6	Fixed	Standard Defence Contract	
<b>Notes</b>						
1	Contract value as at 30 June 2022 is based on actual expenditure to 30 June 2022 and remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable). Amounts expended convert using the spot rate of the day therefore due to calculation method 30 June 2022 value will reflect a variance to prior reporting period.					
2	The price is the value in out-turned dollars (as at June 2022) using Commonwealth cumulative escalation indices. While price escalation models are built into the contract, the price at signature does not include an estimate across the forward commitment (expected expenditure). The price at 30 June 2022 includes this estimate, which is the reason for the large difference between the two figures.					
Contractor	Contracted Quantities as at		Scope		Notes	
	Signature	30 Jun 22				
Luerssen Australia	12	12	12 Offshore Patrol Vessels			
Boomeranger Boats Oy	41	41	27 Rigid Hull Inflatable Boats and 14 Rapid Intercept Craft			
Nova Defence	N/A	N/A	Support to the Offshore Patrol Vessels Project			
<b>Major equipment accepted and quantities to 30 Jun 22</b>						
Ship Set 1 Seaboats (3) delivered 26 August 2021 from Boomeranger Boats						
<b>Notes</b>						
	N/A					

### 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	Platform System – Stream A	Jun 18	N/A	Jun 18	0	
Preliminary Design		Aug 18	N/A	Aug 18	0	
Detailed Design		Oct 18	Nov 18	Nov 18	1	1
System Requirements	Platform System – Stream B	Jun 18	N/A	Jun 18	0	
Preliminary Design		Nov 18	Dec 18	Dec 18	1	1
Detailed Design		Feb 19	N/A	May 19	3	1
System Requirements	Command and Control System (C2)	Jun 18	N/A	Jun 18	0	
Preliminary Design		Dec 18	Nov 18	Nov 18	(1)	
Detailed Design		Mar 19	N/A	Mar 19	0	
System Requirements	Communication and Navigation System (CNS)	Jun 18	N/A	Jun 18	0	
Preliminary Design		Jan 19	N/A	Nov 18	(2)	1
Detailed Design		Apr 19	N/A	May 19	1	
Preliminary Design	Support System (SS)	Nov 18	N/A	Jun 19	7	1,2
Detailed Design		Jun 19	Mar 20	Sep 21	27	1,2,3
Detailed Design Review	Whole of Ship (WoS)	Oct 19	N/A	Oct 19	0	2
<b>Notes</b>						
1	Variance was agreed by the parties at Contract Change Proposal (CCP) 001 and incorporated under Contract Amendment 3.					
2	CCP 007 proposed to delay the Support System Detailed Design by 12 months and reduce the Support System Detailed Design milestone review value commensurate with the other detailed design milestone values in order to create new milestones for a whole of ship Detailed Design, Integrated Baseline Review (IBR) with ASC, and an IBR with Luerssen. The whole of ship Detailed Design will be a complete assessment of the detailed design including antenna arrays. The IBR milestones are proposed to finalise Luerssen's establishment of the Earned Value Management System (EVMS).					
3	The Support System Design Review was delayed to allow a Logistic Support Analysis program to be established effectively and occurred in November 2020. Outstanding actions were identified and was exited in September 2021.					

#### 3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/Forecast	Variance (Months)	Notes
Acceptance	OPV 1 (Arafura)	Dec 21	N/A	delayed from Jun 22	NFP	1
Acceptance	OPV 2 (Eyre)	Sep 22	N/A	delayed from Mar 23	NFP	1
Acceptance	OPV 3 (Pilbara)	May 23	N/A	delayed from May 23	NFP	2
Acceptance	OPV 4 (Gippsland)	Feb 24	N/A	delayed from Feb 24	NFP	2
Acceptance	OPV 5 (Illawarra)	Nov 24	N/A	delayed from Nov 24	NFP	2
Acceptance	OPV 6 (Carpentaria)	Jul 25	N/A	Jul 25	0	2
Acceptance	OPV 7	Apr 26	N/A	Apr 26	0	2
Acceptance	OPV 8	Jan 27	N/A	Jan 27	0	2

### Project Data Summary Sheets

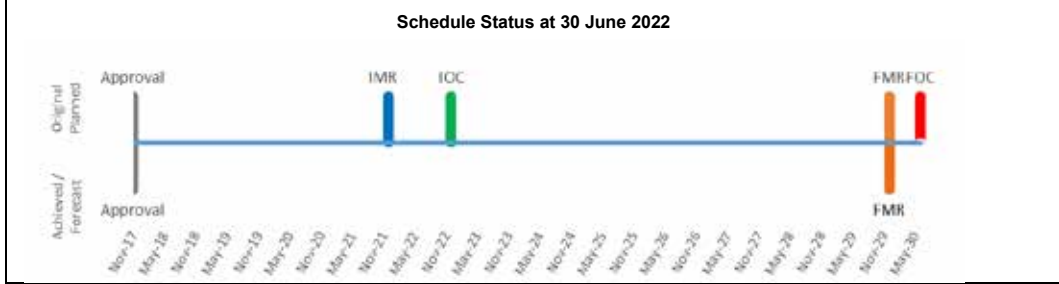
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Acceptance	OPV 9	Oct 27	N/A	Oct 27	0	2
Acceptance	OPV 10	Jun 28	N/A	Jun 28	0	2
Acceptance	OPV 11	Mar 29	N/A	Mar 29	0	2
Acceptance	OPV 12	Dec 29	N/A	Dec 29	0	2
<b>Notes</b>						
1	The COVID-19 pandemic has impacted multiple aspects relating to construction and in particular, activities at Osborne Shipyard in South Australia from March to October 2020. COVID has continued to have an adverse and significant effect on production and ship building operations supply chain disruptions, resource limitations and hard boarder closures between Western Australia and SA.					
2	An Integrated Baseline Review will be held in November 2022 in order to baseline the schedules for OPV 3-12.					

**3.3 Progress Toward Materiel Release and Operational Capability Milestones**

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	Dec 21	delayed from Jun 22	NFP	1,2
Initial Operational Capability (IOC)	Dec 22	delayed from Dec 22	NFP	2,3
Final Materiel Release (FMR)	Dec 29	Dec 29	0	
Final Operational Capability (FOC)	Jun 30	delayed from Jun 30	NFP	3

<b>Notes</b>	
1	The COVID-19 pandemic has impacted multiple aspects relating to construction and in particular, activities at Osborne Shipyard in South Australia from March to October 2020.
2	COVID has continued to have an adverse and significant effect on production and ship building operations, supply chain disruptions, resource limitations and hard boarder closures between Western Australia and South Australia.
3	IOC activities are controlled by Navy and directly linked to the delivery of OPV1 (Arafura). It's anticipated that IOC will occur approximately 37 weeks after acceptance. Delays to FOC are from delays to IOC.
4	Further clarification of milestones will be reflected in Section 4.2.



<b>Note</b>
Forecast dates in Section 3 are excluded from the scope of the Auditor-General's Independent Assurance Report.

**Section 4 – Materiel Capability/Scope Delivery Performance**

**4.1 Measures of Materiel Capability/Scope Delivery Performance**

<b>Traffic Light Diagram: Percentage Breakdown of Materiel Capability/Scope Delivery Performance</b>	
	<b>Green:</b> The Project is on track to deliver 12 Offshore Patrol Vessels. Whilst COVID has impacted production of the Offshore Patrol Vessels the full impacts will not be known until completion of the IBR of OPV 3 -12.
	<b>Amber:</b> The primary weapon system of the OPV to conduct Constabulary Operations is the seaboats. The other weapon systems onboard are the main gun and two 50 calibre machine guns. A temporary change to the main gun size has had an operational impact. Assessment of capability is (0.4%).
	<b>Red:</b> N/A

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

**4.2 Constitution of Materiel Release and Operational Capability Milestones**

Item	Explanation	Achievement
Initial Materiel Release (IMR)	OPV1 delivered ready for Operational Test and Evaluation (OT&E).  Those CASG Fundamental Inputs to Capability (FIC) elements including transition into sustainment as defined by the OPV Support System sufficient to support OT&E.	Not yet achieved

Initial Operational Capability (IOC)	IOC is achieved when Navy can be assured that the first OPV can demonstrate it can be operated and maintained to conduct effective and sustained operations.	Not yet achieved
Final Materiel Release (FMR)	OPVs 1-12 delivered in accordance with Government Approved scope. OPV12 delivered ready for OT&E. Those CASG FIC elements including transition into sustainment as defined by the OPV Support System sufficient to support OT&E for each OPV. FMR is expected to be achieved December 2029.	Not yet achieved
Final Operational Capability (FOC)	OPVs 1-12 complete in accordance with Functional Performance Specification and Operating and Support Intent. OPV12 delivered and OT&E completed. All Facilities accepted. All support organisations functioning.	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
There is a chance that OPV1 (Arafura) will not be delivered on contracted date leading to an impact on IOC of the new capability and reputation.	Progress against the build schedule is closely monitored by the Project Office and Luerssen, to ensure Luerssen achieve their updated milestone dates for launch and delivery of OPV 1 (Arafura) in order to allow Navy to meet IOC
There is a chance that the Arafura Class OPV production in Henderson will be affected by demands on the available workforce in WA leading to an impact on quality and schedule.	Luerssen continues heightened efforts to resource production workforce.
Emergent Risks (risk not previously identified but has emerged during 2021–22)	
Description	Remedial Action
There is a chance that OPV 3 (Pilbara) will not be delivered on contracted date leading to an impact on OPV Operational Capability (OC), capability and reputation.	Progress against the build schedule is closely monitored by the Project Office and Luerssen, to ensure Luerssen achieve their updated milestone dates for launch and delivery of OPV 3 (Pilbara) in order to allow Navy to meet OPV 3 OC. Contingency has been applied to address this risk through amending contractual arrangements. The intended effect is to provide Luerssen with access to a larger pool of production workforce in Western Australia.
There is a chance that priority support products may be partially delivered at IMR leading to an impact on capability and project schedule.	Progress against support product delivery for OPV 1 (Arafura) is closely monitored by the Project Office with the Integrated Logistics Support (ILS) function actively seeking opportunities to support Luerssen in meeting deliverables. The primary driver for this risk is scarcity of specialist ILS resources, and as such, is difficult to mitigate in the short term.
There is a chance that the Safety Case is not accepted by Navy at IOR leading to an impact on capability and schedule.	Progress against Safety Case development is closely monitored by the Systems Safety team within the Project Office. The Project Office is seeking additional fidelity in progress reports and forecasts for delivery of the Safety Case to reduce uncertainty in meeting this delivery timeline. Furthermore the Project has been receiving interim delivery of key data items to enable review and feedback ahead of final submission.

5.2 Major Project Issues

Description	Remedial Action
Nil	N/A

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

**Section 6 – Lessons Learned**

6.1 Key Lessons Learned

Description	Categories of Systemic Lessons
Nil	N/A

**Section 7 – Project Structure**

7.1 Project Structure as at 30 June 2022

Unit	Name
Division	Ships
Branch	Offshore Patrol Vessels Branch