

Project Data Summary Sheet¹

Project Number	SEA1448 Phase 4B
Project Name	ANZAC AIR SEARCH RADAR REPLACEMENT
First Year Reported in the MPR	2018-19
Capability Type	Replacement
Capability Manager	Chief of Navy
Government 1st Pass Approval	Mar 15
Government 2nd Pass Approval	Jun 17
Budget at 2nd Pass Approval	\$427.8m
Total Approved Budget (Current)	\$429.4m
2023–24 Budget	\$10.8m
Complexity	ACAT II ²



Section 1 – Project Summary

1.1 Project Description

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

1.2 Current Status

Cost Performance

In-year

As at 30 June 2024, the project had underspent by \$0.1m mainly due to Foreign Military Sales (FMS) activities being lower than expected as they are nearing closure. There were also some minor cost savings in project management activities. These cost savings have been offset by increased Warship Asset Management Agreement (WAMA) spend and CEA Technologies Pty Ltd escalation costs. This increased spend is in relation to integration activities and WAMA true-up payment updates.

Project Financial Assurance Statement

As at 30 June 2024, SEA1448 Phase 4B has reviewed the approved scope and budget for those elements required to be delivered by Defence. Having reviewed the current financial and contractual obligations of Defence for this project, current known risks and estimated future expenditure, Defence considers as at the reporting date, there is sufficient budget remaining for the project to complete against the agreed scope.

Contingency Statement

The project has not applied contingency in the Financial Year (FY) 2023-24.

Schedule Performance

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

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

Materiel Release refers to individual ship installations, commencing with MR1 for second ship installation. Materiel Release 2 (MR2) for the third ship installation in HMAS *Warramunga* was achieved in November 2021. Materiel Release 3 (MR3) for the fourth ship, HMAS *Perth*, commenced SAT in February 2022 and MR3 was achieved in November 2022. MR3 was accepted with three extant issues, one of which has been resolved and two are outstanding and remained outstanding with the achievement of Materiel Release 4 (MR4) for the fifth ship installation, HMAS *Toowoomba* in July 2023. These two issues being the Electromagnetic Interference / Electromagnetic Compatibility (EMI/EMC) report and infra-red signature report have subsequently been resolved and were resolved in HMAS *Stuart* which was accepted in June 2024 as reported in the Materiel Release 5 (MR5) Decision Brief.

MR5 for the sixth ship installation in HMAS *Stuart* and Materiel Release 6 (MR6) for the seventh ship installation in HMAS *Ballarat* and the eighth ship installation in HMAS *Parramatta* have been delayed owing delays in the AMCAP refit schedule. This delay has

Notice to reader

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

2. Complexity Category has been corrected from previously published ACAT I in the 2022-23 MPR to ACAT II.

<p>been reflected in an update to the Materiel Acquisition Agreement (MAA) to version 6, signed in March 2024.</p> <p>Final Materiel Release (FMR) and Final Operating Capability (FOC) will be delayed owing to delays in the AMCAP refit schedule.</p>
<p>Materiel Capability/Scope Delivery Performance</p> <p>The project expects to deliver eight modern digital air search radars with integrated IFF system in the Anzac Class Frigates. The first mission system ship set capability with associated support systems was scheduled for acceptance in Quarter 1, 2021 dependent on IFF certification. Additionally, the project has delivered the CEA Technologies Pty Ltd Phased Array Radars (PAR) simulator for ship Onboard Training Systems and for the HMAS <i>Watson</i> training simulator.</p> <p>Initial Materiel Release (IMR) was split into two IMRs. The first release enabled the project to support acceptance of the radar to enable the Royal Australian Navy (RAN) to utilise the capability on HMAS <i>Arunta</i>, realign the CEA Technologies Pty Ltd payment schedule and commence the warranty period. The second release was aligned with IFF certification being sufficiently completed. IMR1 was declared December 2020 and IMR2 was declared in April 2021.</p> <p>IOC was declared in July 2021. MR2 was the first release after declaration of IOC, and was declared in November 2021. MR2 for the third ship installation in HMAS <i>Warramunga</i> was achieved in November 2021.</p> <p>The fourth ship, HMAS <i>Perth</i>, commenced SAT in February 2022 and MR3 was achieved in November 2022.</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>Government at Gate 1 (March 2015) was presented multiple options including Developmental and Militarily-Off-The-Shelf (MOTS) options, with the MOTS approach based on an upgraded variant of AN/SPS-49(V) not progressing further as it did not resolve the obsolescence issues. Government did approve Defence's proposal to select CEA Technologies Pty Ltd as the sole Australian supplier of PAR to replace long-range air search radar using the developmental technology successfully installed under SEA1448 Phase 2A and 2B Anti-Ship Missile Defence (ASMD) programs. This solution provided a three-dimensional PAR with six fixed faces and an integrated IFF capability. Industry participants of the Anzac WAMA (previously Anzac Ship Integration Materiel Support Program Alliance) are undertaking the Mission System Integrator role. The project adopted the Smart Buyer Framework proceeding to Gate 2 approval throughout the 2016-17 period. In November 2016, Government approved early access to Acquisition Phase funding which enabled the project to progress a number of time-critical activities prior to Second Pass Approval. This allowed the project to maintain schedule and effectively mitigate 2016-17 schedule risks (subsequently retired) identified during Smart Buyer process. These activities included advanced material purchases for CEA Technologies Pty Ltd and BAE Systems Australia Ltd to commence mast production. At Gate 2 (June 2017), Government approved Defence's proposal to be the prime integrator for LRASC, and for the project to have overall responsibility for procuring and managing final Mission System key components. The integration of the LRASR and IFF system into the Anzac platform and Combat Management System (CMS) are delivered under the Anzac WAMA. Acquisition of supporting equipment and services are being delivered under FMS. Production timings and integration of the mission system(s) into the Anzac Class is driven by the AMCAP schedule, managed by the Anzac System Program Office.</p>
<p>Uniqueness</p> <p>The CEA Technologies Pty Ltd PAR technology on which SEA1448 Phase 4B is based is considered to be a Strategic Industry Capability. The acquisition of which will ensure the RAN has regionally superior technology into the future. The IFF system will be integrated into the PAR faces. This is a world leading technological step to have the IFF interrogator integrated into the PAR faces without a secondary system requirement.</p>
<p>Major Risks and Issues</p> <p>There are no risks categorised above medium/low for the project currently.</p> <p>The issue the project is managing:</p> <ul style="list-style-type: none"> Materiel Releases IMR1, IMR2, MR2 and MR3 were achieved with exceptions relating to outstanding electromagnetic testing and delivery of the Integrated Logistics Support (ILS) matrix. The ILS matrix has subsequently been delivered and the electromagnetic final testing report was received from CEA Technologies Pty Ltd in December 2023. <p>There are no issues categorised above medium/low for the project currently.</p> <p>The issues that have been retired:</p> <ul style="list-style-type: none"> The Independent Assurance Review (IAR) of September 2022 identified that the Project had no commercial support resources and recommended that commercial resources be procured which was approved at the Head of Maritime Sustainment (HMS) Major Projects Governance Board on the 10th August 2023 Following the successful recruitment, the risk was downgraded on 9 November 2023 and downgraded to medium. MR3 and MR4 were achieved with two exceptions. These exceptions, relating to EMI testing and the final ILS matrix. These exceptions were removed in MR5.
<p>Other Current Related Projects/Phases</p> <p>The deliverables provided by SEA1448 Phase 4B have been incorporated into the overall AMCAP schedule. The AMCAP involves a suite of upgrades to the Anzac platform being delivered by multiple projects, of which SEA1448 Phase 4B is one. Delays or issues with other AMCAP projects can delay the schedule of SEA1448 Phase 4B.</p> <p>The AMCAP projects consist of:</p> <p>SEA1448 Phase 4A – Anzac Electronic Support System Improvements. This phase delivered a contemporary Electronic Support Measures system as part of the ASMD upgrade program and is being re-installed under the SEA1448 Phase 4B program.</p> <p>SEA1442 Phase 4 – Maritime Communications Modernisation. This phase will upgrade the communication capability in the eight Anzac Class Frigates and address communications system obsolescence in the Anzac Class.</p> <p>Anzac Platform System Remediation (PSR) Program. The PSR will see the upgrade of on-board systems that includes</p>

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ventilation, the propulsion control system to improve power and efficiency, waste management and water production systems.

Note

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

Section 2 – Financial Performance³

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
	Project Budget		
Oct 13	Original Approved	3.0	1
Jun 14	Real Variation – Scope	5.9	2
Mar 15	Government First Pass Approval	45.2	3
Jan 17	Real Variation – Scope	20.4	4
Aug 17	Government Second Pass Approval	353.3	
	Total at Second Pass Approval	427.8	
Jun 24	Exchange Variation	1.7	
Jun 24	Total Budget	429.4	
	Project Expenditure		
Prior to Jul 23	Contract Expenditure – CEA Technologies Pty Ltd	(170.0)	
	Contract Expenditure – WAMA	(147.2)	
	Other Contract Payments / Internal Expenses	(29.7)	5
		(346.9)	
FY to Jun 24	Contract Expenditure – CEA Technologies Pty Ltd	(4.1)	
	Contract Expenditure – WAMA	(6.5)	
	Other Contract Payments / Internal Expenses	(0.1)	5
		(10.8)	
Jun 24	Total Expenditure	(357.7)	
Jun 24	Remaining Budget	71.7	
Notes			
1	The project's original approved budget was the amount received for project initiation prior to Government Second Pass Approval.		
2	To advance the L-PAR Risk Reduction Program.		
3	Government First Pass approval to advance the progress of the risk reduction program to Gate 2.		
4	Early release of funding to commence activities in advance of Gate 2 Approval.		
5	Other Contract Payments/Internal Expenses comprise of FMS payments, operating expenditure and other capital expenditure not attributable to the listed contracts.		

2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
20.7	14.6	10.8	<u>Portfolio Budget Statements (PBS) to Portfolio Additional Estimates Statements (PAES):</u> The variation is mainly due to: Increase in CEA Technologies Pty Ltd. \$1.7m due to milestones schedule movements from 2022-23, increase in WAMA pain share provision \$1.5m moved from 2022-23 and the removal of additional provision (\$9.2m) for CEA PAR-Simulator (PAR-SIM) security requirement. <u>PAES to Final Plan:</u> The variation is mainly due: Increase in WAMA provision \$1.0m for Escalation and Limb 3 (pain share) cost and the engagement of a Procurement and Commercial personnel (Team Downer contractor) \$0.2m and the decrease in CEA Technologies Pty Ltd. (\$4.5m) due to milestones schedule movements to the right, caused by changes in Schedule Maintenance Availability Master Plan (SMAMP) schedule, a reduced provision for uncontracted CEA Technologies Pty Ltd PAR-SIM security requirement and escalation cost and a reduced provision (\$0.4m) for FMS.
Variance \$m	(6.1)	(3.8)	Total Variance (\$m): (9.9)
Variance %	(29.3)	(25.9)	Total Variance (%): (47.6)

Notice to reader

3. As per the JCPAA 2022-23 MPR Guidelines, financial figures in the PDSS have been rounded to one decimal point. Section 2 financial tables may include totals and percentages that are impacted due to the rounding of the original financial data.

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
		0.3	Australian Industry	SEA1448 Phase 4B Anzac Air Search Radar Replacement end of year underspend of 0.1m mainly due to FMS activities being lower than expected as they are nearing closure. There were also some minor cost savings in project management activities. These cost savings have been offset by increased (WAMA) spend and CEA Technologies Pty Ltd escalation costs. This increased spend is in relation to Integration activities and WAMA true up payment updates.
		(0.4)	Foreign Industry	
		-	Early Processes	
		-	Defence Processes	
		-	Foreign Government Negotiations/Payments	
		-	Cost Saving	
		-	Effort in Support of Operations	
		-	Additional Government Approvals	
10.8	10.8	(0.1)	Total Variance	
		(0.6)	% Variance	

2.3A Details of Project Major Contracts – Price

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature \$m	30 Jun 24 \$m			
WAMA	Aug 17	136.1	161.2	Variable with Pain/Gain Share	Alliance	1, 2, 4
CEA Technologies Pty Ltd	Sep 17	166.6	165.2	Fixed with indices escalation	Standard Defence Contract	2, 3
Notes						
1	WAMA consists of Commonwealth of Australia, BAE Systems Australia Ltd, Saab Australia Pty Ltd and Naval Ship Management (Australia) Pty Ltd. The primary industry partners for SEA1448 Phase 4B tasking is BAE Systems Australia Ltd and Saab Australia Pty Ltd.					
2	Contract value as at 30 June 2024 is based on actual expenditure to 30 June 2024 and remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable).					
3	SEA1448 Phase 4B contract execution date is official order under the Head Contract DMO/ESD/00297/2013 Standing Offer for PAR Development Services, executed 30 October 2013. The Contract Change Proposal (CCP) reduced the contract price by removing the performance security as the technology had been demonstrated.					
4	WAMA price at 30 June 2024 includes pain share, which is for additional contract costs shared between Alliance Industry Participants and the Commonwealth.					

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 24		
WAMA	8	8	Mast, Ship Systems and integration	-
	8	8	CMS upgrades and integration	-
CEA Technologies Pty Ltd	1	1	Qualification and Verification System	-
	8	8	Mission System Ship Sets	-
	2	2	Depot Spare Systems	-
	4	8	Training Simulators	1
Major equipment accepted and quantities to 30 Jun 24				
As at 30 June 2023, the fourth ship installation HMAS <i>Perth</i> (MR3) has been fully accepted (which includes aft mast installation, integration, Harbour Acceptance Trials (HAT) and SAT)). Ships accepted are HMAS <i>Arunta</i> , HMAS <i>Anzac</i> , HMAS <i>Warramunga</i> , HMAS <i>Perth</i> , and HMAS <i>Stuart</i> was accepted in June 2024.				
Notes				
1	CEA Technologies Pty Ltd CCP was accepted to modify the number of training simulators from four to eight to support the training requirements solution put forward by the WAMA.			

2.4 Australian Industry Capability

Summary
The project has contracted Australian Industry Capability (AIC) targets based on Local Industry Capability which is captured in CEA Technologies Pty Ltd and Saab Australia Pty Ltd's AIC Plans across the areas of manufacturing, project management, engineering, ILS and training material.
Note
AIC Plans for contracts worth more than \$20 million are published on Defence's website. Australian Industry Capability is excluded from the scope of the Auditor-General's Independent Assurance Report.

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Section 3 – Schedule Performance

3.1 Design Review Progress

Review	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
System Requirements	CEA Technologies Pty Ltd Radar System Performance Specification	N/A	N/A	Aug 17	N/A	-
Preliminary Design	Mast	N/A	N/A	Apr 17	N/A	1
	Platform	N/A	N/A	Sep 17	N/A	1
	Whole of Ship	N/A	N/A	Nov 17	N/A	1
Critical Design	Mast	N/A	N/A	Sep 17	N/A	1
	Platform	N/A	N/A	Jun 18	N/A	1
	Whole of Ship	N/A	N/A	Jun 18	N/A	1
Notes						
1	Original Planned dates for completion of Preliminary and Critical Design activities not disclosed within the Integrated Master Schedule as these dates were determined prior to Second Pass Approval.					

3.2 Contractor Test and Evaluation Progress

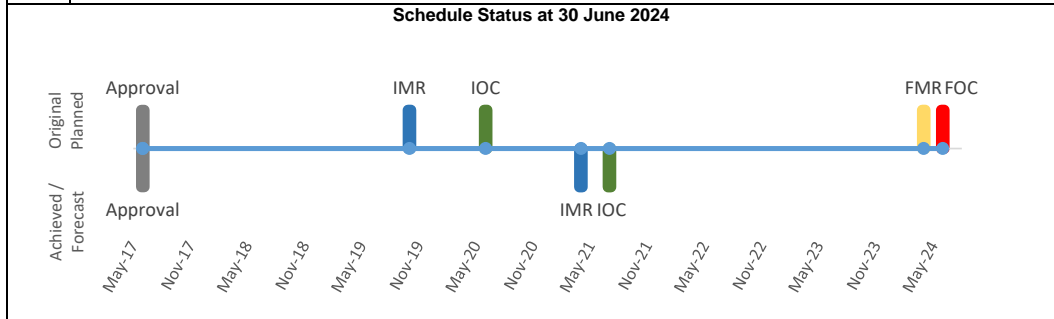
Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
System Integration	HMAS <i>Arunta</i> – Category (Cat) 1 (Factory Acceptance Testing (FAT))	Nov 18	N/A	Apr 19	5	1
	HMAS <i>Arunta</i> – Cat 2 (Environmental Qualifications) and Cat 3 (Integration)	Jan 19	May 20	Jul 20	18	2, 3
	HMAS <i>Arunta</i> – Cat 4 HAT	Feb 19	N/A	Oct 19	8	4
	HMAS <i>Anzac</i> – Cat 4 HAT	Aug 19	N/A	May 20	9	4, 5
	HMAS <i>Warramunga</i> – Cat 4 HAT	Jul 20	Mar 21	Jun 21	11	-
	HMAS <i>Perth</i> – Cat 4 HAT	Dec 20	Dec 21	Feb 22	14	4
	HMAS <i>Toowoomba</i> – Cat 4 HAT	Nov 21	Jul 22	Aug 22	9	4
	HMAS <i>Stuart</i> – Cat 4 HAT	May 22	Jul 23	Jul 23	14	4
	HMAS <i>Ballarat</i> – Cat 4 HAT	Feb 23	Feb 24	Aug 24	18	4
	HMAS <i>Parramatta</i> – Cat 4 HAT	Aug 23	NFP	NFP	NFP	4
Acceptance	HMAS <i>Arunta</i> – Cat 5 SAT	Sep 19	N/A	Mar 20	6	4
	HMAS <i>Anzac</i> – Cat 5 SAT	May 20	N/A	Oct 20	5	4, 5
	HMAS <i>Warramunga</i> – Cat 5 SAT	Feb 21	May 21	Jul 21	5	4
	HMAS <i>Perth</i> – Cat 5 SAT	Sep 21	Mar 22	Apr 22	7	4
	HMAS <i>Toowoomba</i> – Cat 5 SAT	Jun 22	Sep 22	May 23	8	4
	HMAS <i>Stuart</i> – Cat 5 SAT	Dec 22	Apr 24	Nov 23	11	4
	HMAS <i>Ballarat</i> – Cat 5 SAT	Oct 23	Dec 24	Sep 24	11	4
HMAS <i>Parramatta</i> – Cat 5 SAT	Apr 24	NFP	NFP	NFP	4	
Notes						
1	A manufacturing delay with CEA Technologies Pty Ltd resulted in the FAT from November to December 2018. Test Reports were accepted in April 2019.					
2	CEA Technologies Pty Ltd CCP approved the delay in which CEA Technologies Pty Ltd are to obtain Environmental Qualification for the LRASR.					
3	Cat 3 integration activities completed in May 2019. Acceptance of Cat 3 reports occurred in September 2019. The Cat 2 test results received in July 2020. This delay was caused by the limited number of appropriately certified third party test facilities and longer than anticipated test durations.					

4	Delays in the AMCAP schedule have delayed acceptance trials and are reflected in MAA version 6.
5	HMAS Anzac Cat 4 testing undertaken in April 2020, with acceptance of the test reports in May 2020.

3.3 Progress Toward Materiel Release and Operational Capability Milestones

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

Notes	
1	IMR and IOC dates are dependent on IFF certification, which was impacted by COVID-19 travel restrictions.
2	IMR1 with radar acceptance occurred December 2020 and IMR2 IFF certification was completed by April 2021.
3	Delays in the AMCAP schedule for HMAS Arunta and HMAS Anzac has resulted in delays to Cat 4 and Cat 5.
4	These milestone definitions are aligned with Section 4.2.
5	MR3 was achieved with three exceptions, one of these exceptions was resolved at MR4 and the remaining two at MR5. Current issues are in Section 5.3 of this Project Data Summary Sheet (PDSS).
6	Delay is due to alignment with ship availability and the testing milestones in Section 3.2.
7	Delays to the AMCAP schedule have resulted in FOC delayed and is reflected in MAA version 6.



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

Section 4 – Materiel Capability/Scope Delivery Performance

4.1 Measures of Materiel Capability/Scope Delivery Performance

Traffic Light Diagram: Percentage Breakdown of Materiel Capability/Scope Delivery Performance	
	Green: The project is currently meeting capability requirements as expressed in the Joint Project Directive and MAA.
	Amber: N/A
	Red: N/A

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

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4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Initial Materiel Release (IMR1)	Integration of one Air Search Radar and partial IFF system into the first ship, including installation of a new aft-mast and reinstallation of all extant systems. Delivery of on-board spares and training packages. Establishment of Initial Support Contracts for both Radar and Integration.	Achieved with exceptions
Initial Materiel Release (IMR2)	Integration of one Air Search Radar and full IFF system into the second Anzac Class Frigate, including installation of a new aft-mast and reinstallation of all extant systems. Delivery of on-board spares.	Achieved with exceptions
Initial Operational Capability (IOC)	Installation of equipment onto ships completed to date, development of operator and maintainer training package and initial package completed, tactical doctrine updated, completion of acceptance trials on the first ship completed, and the logistics support arrangements in place.	Achieved
Final Materiel Release (FMR)	Integration of one Air Search Radar and IFF system into the final ship. Delivery of all outstanding logistic documentation. Delivery of a support system. Final delivery of on-board spares and depot spares. Forecast dates for FMR are NFP.	Not yet Achieved
Final Operational Capability (FOC)	Installation of equipment onto all ships is complete, training facilities have been set to work, operator and maintainer trainer is in a steady state, tactical doctrine is mature, full logistics support arrangements are in place, establishment and other fundamental inputs to capability arrangements are complete. Forecast dates for FOC are NFP.	Not yet Achieved

Section 5 – Major Risks and Issues

5.1 Major Project Risks

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

5.2 Emergent Risks

Emergent Risks (risk not previously identified but has emerged during 2023–24)		
Ref#	Description	Remedial Action
N/A	N/A	N/A

5.3 Major Project Issues

Ref#	Description	Remedial Action
1	IMR2 was achieved with four exceptions. Two of the three exceptions address EMI testing and delivery of the final ILS matrix.	The ILS matrix has been delivered and accepted – the EMI /EMC testing completed with the final report provided in December 2023. This issue has now been retired.
2	MR2 was achieved with two exceptions. These exceptions, relating to EMI testing and the final ILS matrix.	The ILS matrix has been delivered and accepted – the EMI /EMC testing has now been completed and the issue has now been retired.
3	The IAR of September 2022 identified that the Project had no commercial support resources. The IAR recommended that commercial resources be provided to the project. Subsequently, this issue was elevated to the HMS Major Projects Governance Board on the 10th August 2023.	Approval was provided by HMS and the HMS Major Projects Governance Board on 10 August 2023 to procure an additional commercial support resource. On 30 September 2023 Branch approval was provided. Following the successful recruitment, the risk was downgraded on 9 November 2023 and downgraded to medium.
4	MR3 and MR4 were achieved with two exceptions. These exceptions, relating to EMI testing and the final ILS matrix.	The ILS matrix has been delivered and accepted and the EMI/EMC testing has now completed with the final report being provided December 2023. These exceptions were removed in MR5. This issue has now been retired.
Note		
Major risks and issues in Section 5 are excluded from the scope of the Auditor-General's Independent Assurance Report.		

Section 6 – Lessons Learned

6.1 Key Lessons Learned

Description	Categories of Systemic Lessons
In line with Defence instruction and CASG Lessons policy, the project conducts scheduled reviews of its captured lessons information (including any observations, insights and/or lessons identified) as well as lessons information contained within the Defence Lessons Repository (DLR). The project has captured three lessons. The three lessons the project identified as systemic or strategic in nature, that have been documented in the DLR, are listed below:	N/A
DLR Lesson Type – Observation. Understanding of certification authority test requirements to ensure sufficient resources, facilities and personnel can be scheduled to minimise the chance of delays.	Program, Project & Product Management
DLR Lesson Type – Observation. Understanding of operational security requirements prior to the development of the acceptance program to minimise the chance of delays.	Program, Project & Product Management
DLR Lesson Type – Observation. Improved project assurance and governance oversight requirements, due to the uniqueness of the CEA Technologies Pty Ltd technology, has necessitated a non-traditional approach to requirements specification and acceptance.	Corporate Performance

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2024

Unit	Name
Division	Maritime Sustainment Division
Branch	Major Surface Ships Branch