

Public Accounts and Audit

2018-19 Defence Major Projects Report and the Future Submarine Project -
Transition to Design (Auditor-General's Reports 19 and 22 (2019-20))
– 28 August 2020

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: JCPAA Auditor General's Defence Major Projects Reports 19 & 22 - 3 July 2020 -
Q2 Current IOC and FOC dates SUPPLEMENTARY RESPONSE - Conroy

Question reference number:

Senator/Member: Pat Conroy

Type of question: Spoken

Date set by the committee for the return of answer: 04 September 2020

Question:

Mr CONROY: I move on to the other question on notice. There was a joint strike fighter question on notice where the particular question wasn't answered properly. That was question 14. I'll leave that for the committee secretariat to talk to the Department of Defence on. I now want to go to questions 1 and 3 of 2 June 2020, where I, in an attempt to make today's hearings more efficient, asked for the current dates of final operational capability and initial operating capability for 19 projects. Does Defence have that answer in front of them?

Mr Fraser: I will just find that for you.

Mr CONROY: Thank you, Mr Fraser. That's very kind of you.

Mr Fraser: I do have the answer in front of me now.

Mr CONROY: I have asked for FOC and IOC dates, and the Department of Defence's response has basically been to refer me to a document that was subject to an FOI.

Mr Fraser: The quarterly performance report?

Mr CONROY: Yes. First off, I think that, as a matter of good procedure, the department should answer questions from the committee, even if it's a cut and paste from another document rather, rather than refer the committee on to another report. But is the department aware that, of the 19 projects that I asked about, only two of them have FOC or IOC dates contained within that document—redacted or non-redacted?

Mr Fraser: I'm sorry that we did not provide you the information in the way in which you were to seek that. I will pause for a second and pull that up. But I have no reason to doubt what you're stating there—it hasn't met your requirement. Can I take it on notice and take another look at it, please?

Answer:

Current IOC and FOC dates are based on the end June 2020 Major Projects Report and the Quarterly Performance Report publications which are currently undergoing clearance.

| Projects | | | 2018-19 Major Projects Report | | 2019-20 Draft Major Project Report ¹ | | Supplementary Advice |
|--------------------------|----------------------|---|-------------------------------|------------------------------|---|------------------------------|---|
| No. | Project Number | Project Name | Achieved/ Forecast IOC | Achieved/ Forecast FOC | Achieved/ Forecast IOC | Achieved/ Forecast FOC | Status |
| AIR CAPABILITIES | | | | | | | |
| Aerospace Systems | | | | | | | |
| 1 | AIR 7000 Phase 2B | Maritime Patrol and Response Aircraft System | Jan-18 | Jun-22 | Jan-18 | Jun-22 | No schedule slip. |
| 2 | AIR 5349 Phase 3 | EA-18G Growler Airborne Electronic Attack Capability | Not asked | Aug-22 | Not asked | Aug-22 | No schedule slip. |
| 3 | AIR 8000 Phase 2 | Battlefield Airlift – Caribou Replacement | Dec-16 | Dec-19 | Dec-16 | TBA | Government advised of delay to FOC scheduled in December 2019. There are outstanding residual activities in support of FOC declaration. |
| 4 | AIR 7403 Phase 3 | Additional KC-30A Multi-role Tanker Transport | Not asked | Dec-19 | Not asked | Dec-19 | No longer reports in the Major Projects Report, IOC achieved in April 2018 and FOC achieved in December 2019. |

¹ The variances between the 2018-19 and 2019-20 Major Projects Report IOC and FOC dates are shown in Orange text.

| Projects | | | 2018-19 Major Projects Report | | 2019-20 Draft Major Project Report | | Supplementary Advice |
|--------------------|---------------------|---|-------------------------------|------------------------------|------------------------------------|------------------------------|--|
| Helicopter Systems | | | Achieved/ Forecast IOC | Achieved/ Forecast FOC | Achieved/ Forecast IOC | Achieved/ Forecast FOC | |
| 5 | AIR 9000 Phase 8 | Future Naval Aviation Combat System Helicopter | Sep-15 | Dec-23 | Sep-15 | Dec-23 | No schedule slip. |
| 6 | AIR 5431 Phase 3 | Civil Military Air Management System | Nov-22 | Oct-25 | Jul-23 | Apr-26 | The schedule variance is due to a protracted period of complex negotiations between the customer and contractor. Government was advised in Quarter 4 2019 of further delay to IOC and FOC in order to incorporate Defence collaboration options. |
| 7 | JP 9000 Phase 7 | Helicopter Aircrew Training System | Jan-19 | Dec-20 | Jan-19 | Dec-20 | No longer reports in the Major Projects Report, IOC achieved January 2019 and FOC forecast for achievement in December 2020. |

| Projects | | | 2018-19 Major Projects Report | | 2019-20 Draft Major Project Report | | Supplementary Advice |
|--------------------|-----------------------|--|-------------------------------|------------------------------|------------------------------------|------------------------------|---|
| JOINT CAPABILITIES | | | Achieved/ Forecast IOC | Achieved/ Forecast FOC | Achieved/ Forecast IOC | Achieved/ Forecast FOC | |
| Joint Systems | | | | | | | |
| 8 | LAND 2072 Phase 2B | Battlespace Communications System | Not asked | Sep-22 | Not asked | Sep-22 | No schedule slip. |
| 9 | LAND 2072 Phase 2A | Battlespace Communications System Phase 2A | Not asked | Sep-19 | Not asked | Dec-19 | No longer reports in the Major Projects Report, IOC achieved April 2014 and FOC achieved December 2019. The further delay to declaring FOC was attributed to administration activities. |
| 10 | SEA 1442 Phase 4 | Maritime Communications Modernisation | Jul-20 | Jan-25 | Jan-21 | Apr-25 | Variance is attributed to the availability of the platform to undertake maintenance and upgrades. The schedule for Maritime Communications Modernisation and the ANZAC Midlife Capability Assurance Program must be in alignment. |
| 11 | JP 2008 Phase 5A | Indian Ocean Region UHF SATCOM | Not asked | Dec-21 | Not asked | Dec-21 | No schedule slip. |

| Projects | | | 2018-19 Major Projects Report | | 2019-20 Draft Major Project Report | | Supplementary Advice | | |
|-------------------|----------------------|--|-------------------------------|------------------------------|------------------------------------|------------------------------|----------------------|--|--|
| LAND CAPABILITIES | | | Achieved/ Forecast IOC | Achieved/ Forecast FOC | Achieved/ Forecast IOC | Achieved/ Forecast FOC | | | |
| Land Systems | | | | | | | | | |
| 12 | LAND 53 Phase 1BR | Night Fighting Equipment Replacement | Dec-18 | Sep-23 | Dec-18 | Sep-23 | No schedule slip. | | |

| Projects | | | 2018-19 Major Projects Report | | 2019-20 Draft Major Project Report | | Supplementary Advice | | |
|-----------------------|----------------------|--|-------------------------------|------------------------------|------------------------------------|------------------------------|---|--|--|
| MARITIME CAPABILITIES | | | Achieved/ Forecast IOC | Achieved/ Forecast FOC | Achieved/ Forecast IOC | Achieved/ Forecast FOC | | | |
| Maritime Systems | | | | | | | | | |
| 13 | JP 2048 Phase 3 | Amphibious Watercraft Replacement | Aug-15 | Dec-19 | Aug-15 | Nov-19 | No longer reports in the Major Projects Report, IOC achieved in August 2015 and FOC was achieved in November 2019. | | |
| 14 | SEA 1448 Phase 2B | Anzac Class Anti- Ship Missile Defence Upgrade | Not asked | Jun-19 | Not asked | Jun-19 | No longer reports in the Major Projects Report, IOC achieved in September 2015 and FOC was achieved in June 2019. | | |
| Ships | | | | | | | | | |
| 15 | SEA 4000 Phase 3 | Air Warfare Destroyer Build | Not asked | Jun-21 | Not asked | Jun-21 | No schedule slip. | | |

Inquiry into the 2018-19 Defence Major Projects Report and the Future Submarine Project - Transition to Design
 (Auditor-General's Reports 19 and 22 (2019-20))
 Submission 6 - Supplementary Submission

| | | | | | | | |
|-------------------|-----------------------|--|---------------|---------------|---------------|---------------|--|
| 16 | SEA 1180 Phase 1 | Offshore Patrol Vessel | Dec-22 | Jun-30 | Dec-22 | Jun-30 | No schedule slip. |
| 17 | SEA 1448 Phase 4B | ANZAC Air Search Radar Replacement | Jun-20 | Jun-24 | Jun-21 | Jun-24 | IOC is dependent on Identification Friend or Foe (IFF) certification, which is impacted by COVID-19 travel restrictions. |
| Submarines | | | | | | | |
| 18 | SEA 1439 Phase 5B2 | Collins Class Communications and Electronic Warfare Improvement Program | Jun-21 | Dec-27 | Aug-21 | Jun-27 | Variance is due to the IOC and FOC dates not originally taking stage 2 into account. |
| 19 | SEA 1439 Phase 3 | Collins Class Submarine Reliability and Sustainability | May-14 | Jun-23 | May-14 | Jun-23 | No schedule slip. |