



Australian Government
Department of Defence
Defence Materiel Organisation

GMJSA/OUT/2013/014

6 March 2013

Mr Rob Oakeshott MP
Chair of the Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Oakeshott,

Review of 2011-12 Major Projects Report - response to request for information

I refer to your letter dated 13 February 2013 seeking additional information in relation to the 2011-12 Major Projects Report. Attached please find responses to each of the questions asked by the Committee.

I trust that this information will assist the Committee with its review.

Yours sincerely,

Ms Shireane McKinnie PSM
General Manager Joint, Systems and Air

Attachment:

- A. Joint Committee of Public Accounts and Audit Review of the 2011-12 Major Projects Report – request for information (Responses from the Defence Materiel Organisation)

**Joint Committee of Public Accounts and Audit
Review of the 2011-12 Major Projects Report – request for information
Responses from the Defence Materiel Organisation**

6 March 2013

Reference:

- A. Review of 2011-12 Major Projects Report - request for information
(letter from Rob Oakeshott MP dated 13 February 2013)

Enclosures:

- 1. For Question 3 - Maturity Scores Descriptors
- 2. For Question 5 - MPR External Stakeholder Survey
- 3. For Question 6 - Projects Approved since 1 March 2010
- 4. For Question 7 - Project Accountabilities
- 5. For Question 8 - Capability Manager Responsibilities

Question 1

The ANAO notes in its overview of the 2011-12 MPR (p. 101) that the emergence of indexation risks related to the move to out-turned budgets has 'to some extent, changed the nature and use of the contingency budget'.

(a) Which Major Projects included in the MPR have utilised contingency funds in 2011-12?

(b) Are there any barriers to the projects that have used contingency funds and/ or the amount of funds used being documented in the Project Data Summary Sheets for future MPRs?

Response:

The table below details the MPR projects that in 2011-12 used an element of their available contingency budget.

Project No	Project Title
SEA 1390 Ph4B	SM-1 Missile Replacement
AIR 9000 Ph2	Multi Role Helicopter
JOINT 2008 Ph5A	Indian Ocean Region UHF SATCOM
AIR 9000 Ph5C	Additional Medium Lift Helicopters
LAND 19 Ph7A	Counter Rocket, Artillery & Mortar (C-RAM)
LAND 75 Ph3.4	Battlefield Command Support System
AIR 5077 Ph3	Airborne Early Warning and Control Aircraft
LAND 17 Ph1A	Artillery Replacement
SEA 1448 Ph2A	ANZAC Ship Anti-Ship Missile Defence
AIR 5376 Ph2	F/A-18 Hornet Upgrade
SEA 1429 Ph2	Replacement Heavyweight Torpedo
AIR 8000 Ph3	C-17 Globemaster III Heavy Airlifter
LAND 116 Ph3	Bushmaster Protected Mobility Vehicle
SEA 1448 Ph2B	ANZAC Ship Anti-Ship Missile Defence
SEA 1390 Ph2.1	Guided Missile Frigate Upgrade Implementation

Public release of details regarding project contingency provisions could be prejudicial to taxpayers' interests. DMO experience indicates that knowledge of contingency provisions encourages some contractors to find ways to gain access to the funds, which can have negative implications for good project governance. The then DMO CEO (Dr Gumley) provided advice to this effect at a JCPAA Private Briefing held on Monday 15 March 2010 and this remains the DMO position.

Question 2

Graphs produced by the ANAO in the 2011-12 MPR (p. 55 and p. 67) compare project maturity against budget expended and time elapsed. Where project maturity far exceeds time elapsed and budget expended, should this be viewed as an indication of an overly optimistic assessment of project maturity?

Response:

Given that the question relates to the ANAO analysis of DMO's project maturity scores, it is suggested that this question be more appropriately addressed by the Committee to the Auditor-General.

The DMO would not analyse project maturity scores in this way as the analysis implies a direct linear relationship between the time elapsed and the maturity score. The DMO advised the ANAO of this in preparation of the MPR. While it is expected that during a project's life the maturity score indicator will increase, the indicator can also deteriorate. For example, the commercial score could decrease in the event of a major dispute or if the contractor runs into financial difficulties.

Question 3

Appendix 4 of the 2011-12 MPR contains a graph showing benchmark maturity scores, similar to the example provided in the 2012 Defence Capability Plan (DCP p. 4). The ANAO has noted (p. 68) that 'the maturity scores at Second Pass Approval for projects in the 2011-12 MPR vary and are generally inconsistent with the presentation in the DCP'.

- (a) *Why do the benchmark maturity scores shown in Appendix 4 of the MPR not take into account the inherent differences in project maturity between Developmental and MOTS projects- unlike the equivalent graph in the 2012 Defence Capability Plan?*
- (b) *How does DMO ensure that that maturity scores are applied consistently for all projects? How can Developmental projects (e.g. Joint Strike Fighter) be given higher maturity scores at Second Pass Approval than MOTS projects (e.g. Additional Chinook)?*

Response:

The project maturity score is a way of quantifying the measure of the relative confidence associated by the project at the time of assessment.

The view that the maturity scores do not take into account inherent differences between Military Off The Shelf (MOTS) and Developmental projects is not entirely correct. The key attributes affected by MOTS and Developmental options are: Requirement, Technical Understanding and Technical Difficulty. MOTS systems would typically have higher scores against each of these attributes compared to developmental due in part to the greater level of data available from test and evaluation. It should be noted that until we have confirmation that Operational Test and Evaluation (OT&E) data is available to Australia the score may be lower than expected for some MOTS items. Other areas that can be affected by MOTS / developmental are requirements and commercial scores. To assist further in understanding the application of criteria, the basis for interpreting the description presented in Appendix 4 to the Major Projects Report is provided in the enclosed table (Enclosure 1: For Question 3 - Maturity Scores Descriptors).

In September 2010 the DMO promulgated a DMO-wide instruction on the use and application of maturity scores. The application of maturity scores can however vary from project to project depending on the assumptions made by the project manager that underpin the assessment. The maturity score for the JSF at approval reflects a very optimistic assessment of the project at the time. This score was, however, developed in 2009 before promulgation of the current procedure.

Maturity scores are a helpful tool, but they are ultimately indicative and advisory. At key points in the project lifecycle they may help with consideration of relative risk. Where scores are lower than nominal benchmarks indicate a higher relative risk exposure - but would not necessarily lead to a decision not to proceed with a project,

Question 4

The JCPAA noted in its review of the 2010-11 MPR that it expected to see in the next MPR concrete evidence of results and progress having been made to achieve consistency of information across projects (Report 429, p. 22). In its overview of the 2011-12 MPR (pp. 97-98), the Australian National Audit Office (ANAO) notes that inconsistency of information across projects continues to be an issue.

- (a) *Paragraph 3.40 refers to DMO advice that 'limited progress has been made overall towards rationalisation, and that further ownership and guidance would be required within the organisation in order to achieve the desired outcome'. What is being done by DMO to achieve the level of ownership and guidance that is required?*

Response:

The DMO has rationalised the use of information systems across the organisation, as reported on page 137 of the Major Projects Report 'During 2012, the number of risk management tools to be used by DMO projects has been reduced to Predict! and Excel spreadsheets. This reduction will allow a greater streamlining of risk management systems across the DMO. The DMO is also in the process of developing a standard risk categorisation framework for projects. This will provide for improved escalation of risks to the strategic level and a more consistent approach to risk assessment.'

As a transition arrangement older projects will continue to use their extant systems while new projects will be required to utilise either Predict! or Excel spreadsheets.

With regards to records management, the DMO is migrating existing data stored on shared drives to the Defence records management system 'Objective' and this is being conducted as per CIOG direction as outlined in the report (pp. 147-148). To date, over 90% of DMO staff have migrated their electronic corporate records into the Defence record management system, 'Objective', with the remainder of DMO expected to have transitioned by July 2013.

At the project level the financial data kept by each project is tailored to the individual project. Differences will occur on factors such as the number of contracts being managed, the currencies used in each of those contracts, the labour and material indices, and the use of Foreign Military Sales versus commercial contracts. All major projects record their project approval values, the expenditure to date, and remaining budget (which includes planned expenditure and remaining contingency) in Capital Equipment Program Financial Planning System (CEPPlan). CEPPlan is planned for redevelopment to modernise it and better link it to the Defence Budget and Output Reporting Information System (BORIS) system. This redevelopment is scheduled for roll out in August 2013, subject to CFO Defence approval.

Due to the large variation in the nature of major projects managed by the DMO it will not be possible to standardise the information held and managed by all projects at all levels. As identified above financial records will vary based on the number and type of contracts.

While ANAO has raised issues with the consistency in presentation of information, DMO understands that information is maintained by each project in accordance with the relevant project plans approved for each project. These plans provide the basis for tailoring the DMO processes to match the requirements of each project.

Question 5

Could DMO please provide to the Committee a copy of the external stakeholder survey of the MPR (summarised on pp. 121-124)? More specifically –

- (a) By category, who responded to the survey?*
- (b) Were reasons identified for the relatively low scores given by respondents on the clarity, accuracy and transparency of the MPR?*
- (c) What changes are being considered as a result of this feedback?*

Response:

The Survey (provided as Enclosure 2: For Question 5 - MPR External Stakeholder Survey), was commissioned in response to Recommendation 3 of the JCPAA Report 429, Review of the 2010-11 Defence Materiel Organisation Major Projects Report, which recommended that the Defence Materiel Organisation includes a discussion on the use by, and value of, the Major Projects Report by external stakeholders in the 2011-12 Major Projects Report.

- (a) Respondents to the survey included industry working on major projects in the report as well as industry not working on those projects but supply Defence and those outside Defence such as the media. There are some additional details on respondents in the attachment.
- (b) Ernst & Young, who conducted the survey, advised that; "The response rate is below the level we usually get when we conduct Industry based consultations." and that "the response rate is too low to make comparisons between the classes (media, contractor etc)". This limits the ability to discriminate too finely using the survey results.
- (c) Survey respondents qualitatively scored the MPR about 6 out of 10 for clarity, accuracy and transparency versus scores or around 7 out of 10 for accessibility, relevance and value. Noting the small sample size, the explanations given are quite varied - some being mutually exclusive expectations for the document.
- (d) Respondents indicated that the PDSSs generally contained the data that is being sought, and that the Major Projects Report contributes to providing a greater level of transparency and accountability of the DMO capital acquisition process.
- (e) The survey did not highlight any clear areas for change. Excepting changes that would be recommended in consultation with the ANAO and agreed by the Committee, no other changes to the Major Projects Report are intended as a result of the feedback.

Question 6

Please list all major projects approved by the Government after 1 March 2010, and provide details set out in their associated Joint Project Directives of the assignment of overall responsibility, authority and accountability for realisation of the capability system to an in-service stage.

Response:

There are 99 projects that have received approval since March 2010, the list of those projects is enclosed (Enclosure 3: For Question 6 - Projects Approved since 1 March 2010).

Question 7

Can we take the "project line management" section in each Project Data Summary Sheet to provide a clear answer to the question "where does the buck stop?"

Response:

The recently announced DMO Strategic Framework 2013-2015 identifies, as one of the core behaviours, that of personal accountability which is defined as "Take personal accountability to deliver the outcomes required, including providing comprehensive, timely and accurate advice and information to those we are accountable to."

Primary responsibility and control flows through line management from the Chief Executive Officer Defence Materiel Organisation to the Project Director / Project Manager.

For projects assigned to the DMO, accountability and reporting flows from the Project Director or Project Manager through line management to the Chief Executive Officer Defence Materiel Organisation where, ultimately, 'the buck stops'.

To assist, the typical allocation of responsibilities and accountabilities of line management is set out in the enclosure (Enclosure 4: For Question 7 - Project Accountabilities).

Question 8

To help get a concrete picture of how accountability assignment works, please give an example of a project that has exited the Major Projects Report, with details of accountability as allocated at each stage post exit.

Response:

Only two projects have 'exited' the MPR since its inception in 2007: AIR 5376 Phase 3.2 – Hornet Refurbishment (last reported in 2010-11); and AIR 8000 Phase 3 – C-17 Globemaster III - Heavy Airlift (2011-12).

The appointed Capability Manager is directly accountable to the Secretary of Defence and the Chief of the Defence Force for the successful realisation of an approved new capability. This responsibility, delegated in the post Second Pass Joint Project Directive, enables the Capability Manager to exercise oversight and coordination of Fundamental Inputs to Capability elements for the project. To meet this responsibility, the Capability Manager will develop the Capability Realisation Plan and chair the Capability Managers Steering Group.

In accordance with the roles and responsibilities agreed by the Defence Committee, and as illustrated in the enclosed diagram (Enclosure 5: For Question 8 - Capability Manager Responsibilities), the appointed Capability Manager will:

- (a) in conjunction with Chief Capability Development Group, recommend to Government the appropriate capability to meet the Defence Planning Guidance within agreed funding guidance, including changes to force structure and appropriate capital investments;
- (b) provide professional advice, including information on the Fundamental Inputs to Capability, to Capability Development Group and Defence committees to ensure that the Capability Development process, and the options put to Government for approval, will meet Government's capability objectives and will be implementable and sustainable;
- (c) ensure, for each Defence Capability Plan project, that all Fundamental Inputs to Capability elements are appropriately addressed prior to Second Pass approval, and are coordinated and delivered following Second Pass approval;
- (d) report regularly to Government through the Secretary of Defence and the Chief of the Defence Force on the operational and capability consequences of changed circumstances that might have impacts on the capability;
- (e) agree the requirements of the Materiel Acquisition Agreement;
- (f) acknowledge to Government the proposed acquisition strategy;
- (g) after Second Pass, provide advice to Chief Capability Development Group on proposed changes to the scope, cost or schedule of major projects or any extension of the in-service life of existing equipment, subject to advice from the Chief Executive Officer Defence Materiel Organisation and other Group Heads, that are outside of the project boundaries set by Government; and
- (h) reach an agreement with Defence Materiel Organisation (in the Materiel Sustainment Agreement) and other Groups on the level of support needed to maintain in-service capabilities to meet the Chief of the Defence Force Preparedness Directive.

Question 9

Given the crucial importance of effective sustainment and that the bulk of DMO spending will be on sustainment in 2013-14, the provision of an annual consolidated Sustainment of Capability Report would provide useful transparency and discipline. Are there any reasons why the Department of Defence could not bring together the information on sustainment into a single report?

Response:

Defence has been reporting the top 20 sustainment products through the Annual Report, Portfolio Budget Statements and Portfolio Additional Estimates Statements which average at around 70% of the DMO sustainment budget (pages 157 to 162 of the Defence Portfolio Additional Estimates Statements 2012-13 and pages 193 to 206 of the Defence Annual Report 2011-12 refer).

Descriptors and Interpretation

		ATTRIBUTES						
		Schedule	Cost	Requirement	Technical Understanding	Technical Difficulty	Commercial	Operations and Support
		Delivering the Capability (Delivery Performance)						
		How are the IMR and FMR milestones tracking?	How well are the costs tracking against project approval?	How well are the requirement defined in the MAA being realised?	Defence's understanding of the technical solution and arrangements to operate and support the capability?	How well is the design and its validation coming along?	How well is industry performing?	How prepared is the project to transition from Acquisition to Sustainment?
IMPROVING	10	Achieved Material and support system elements have been delivered and the materiel capability is ready for transition to the Capability Manager. The Capability Manager(s) have accommodated materiel and support system delivery schedules with minimal disruption to their Service plans.	Proven All project costs have been reconciled and Project Financial Closure has been achieved.	Demonstrated Operational Test and Evaluation has confirmed that the achievement of endorsed requirements has been demonstrated in the operating environment.	Fully Understood Defence fully understands the solution and has the means necessary to operate, support and to make necessary modifications to meet changing operational needs. Relevant technologies assessed to be at TRL 9.	Proven Operational Test and Evaluation has confirmed the suitability of the design for its intended use. Technical risk is assessed to be negligible.	All Delivered Contractor(s) performance would merit their consideration as a preferred supplier for future similar requirements.	Operational The materiel and support systems are fully operational.
	9	Confident The delivery window(s) for materiel and support systems can be forecast confidently. Likely In Service Date(s) can be predicted with a high level of confidence	Contingency Remains Cost risk has been retired to a stage where unused contingency can be written back.	Tested Integration and testing processes have verified achievement of endorsed requirements.	Transferred Knowledge necessary to operate and support the solution has been transferred to ADF/ DMO/ ISS contractors as appropriate. Relevant technologies assessed to be at TRL 8-9.	Tested System Integration and necessary final contract acceptance testing completed. System is performing as designed. Technical risk is assessed as Low.	Delivered All contracted requirements have been satisfactorily performed. There is a good basis for confidence that contractor's in service support performance will be satisfactory.	Transitioning Materiel and support systems have begun to be transitioned to the operating environment. Transition arrangements to DMO sustainment unit(s) have commenced.
	8	Acceptable Critical path activities are well advanced and detailed planning for remaining activities is sound. Variance trends provide confidence that schedule will be within the tolerance of the Materiel Acquisition Agreement.	Confident The project has progressed to a stage where the Estimate At Completion can be forecast with confidence based on cost variance trends. Majority of risks have been retired in project elements particularly sensitive to cost increases.	Designed System and sub-system design/ system integration is complete. High confidence that requirement will be satisfied.	Arranged Necessary logistics data and arrangements for its employment in support of the capability are in place. Relevant technologies assessed to be at TRL 8.	Integrated Critical Design Reviews have validated system design and its integration. High confidence that technical issues are solvable. Technical risk is assessed as Low.	Delivering Contractor is performing and delivering as contracted.	Integrated Materiel and support elements procured and ready for integration into the capability system.
	7	In Tolerance Schedule variances being monitored and adverse variances are manageable. Trends indicate that the schedule is more than likely to be within the delivery window of the Materiel Acquisition Agreement.	Within Contingency Some variations between budgets for costed WBS elements, but overall Estimate At Completion is still projected to be within total project contingency based on cost variance trends and cost risk assessments.	Acceptable Requirements and design review processes indicate no operationally critical OCD/ FPS requirements that could not be achieved. Other departures, if any, from endorsed requirements acceptable to CDG.	Needs Understood Logistics support analysis has clarified Defence's understanding of its knowledge needs to operate and support the solution. No major impediments to acquiring/ transferring this knowledge. Relevant technologies assessed to be at TRL 7-8.	Designed Preliminary Design Reviews are confirming the achievability of the requirement. Technical risk is assessed as Low to Medium.	Manages Risk Contractor has sound risk management arrangements to engender confidence that contract performance will be well managed.	Being Procured Most elements of the materiel and support system have been defined and procurement is underway for materiel system, including support elements as agreed in MAA.
	6	Manageable Key project management plans and prime contract master schedules have been robustly developed.	Negotiated The prime contract has been negotiated and Materiel Acquisition Agreements between Defence and DMO are in place. Contingency amounts are commensurate with cost risk.	Contracted Endorsed requirements (per OCD/ and FPS) have been included in negotiated contracts. Variations (if any) have been endorsed by CDG.	Provided For Contract Technical Data and Intellectual Property provisions will provide the range of knowledge or access to knowledge that will enable Defence to operate, support, maintain, modify and dispose of the materiel elements of the capability. Relevant technologies assessed to be at TRL 7.	Planned Key engineering management plans indicate a planned approach to managing technical difficulty. Technical risk is assessed as Low to Medium	As Contracted Contractor has the necessary plans, skills and capacity to undertake the work and can ramp-up resources needed to commence work as planned.	Defined Detailed materiel and support requirements have been specified to a level necessary for procurement. Alternatively, In-Service Contract(s) in place.
	Defining the Capability (Process Maturity)							
IMPROVING	5	Confirmed Industry and managers of other Fundamental Inputs to Capability (FICs) have confirmed the practicability of the schedule for the preferred solution.	Per Endorsed Capability Based on tender quality or credible detailed proposals from industry for the endorsed OCD/ FPS and TCD. Estimates for non contractor provided elements are based on known precedent costs. Contingency amount aligns with assessed cost risk.	Endorsed Capability Definition Documents (OCD/ FPS and TCD) are endorsed and adequate for system development.	Understood Industry has confirmed that the solution is capable of satisfying the OCD and FPS. A comprehensive and integrated solution has been identified. Relevant technologies assessed to be at TRL 6-7.	Manageable Industry and managers of Fundamental Inputs to Capability (FICs) have confirmed the practicability of putting the solution together. Project Management Plans for system development and integration are well advanced. Technical risk is assessed as Low to Medium.	Offered Tenders/ credible detailed proposals from industry have confirmed the feasibility and affordability of delivering the preferred solution. Companies assessed as having the level of process maturity required for the complexity of the undertaking.	Planned All operating and support requirements for the required capability have been identified and implementation plans for Fundamental Inputs to Capability are well advanced. Through life costs have been estimated and programmed.
	4	Understood Schedule for the mission and support system elements of the solution(s) are well understood and can be expressed as a critical path for the major building blocks.	Industry Tested Industry studies or proposals have confirmed the soundness of the estimate. Estimates for non contractor provided elements are based on estimated precedent costs.	Documented FPS developed from OCD for each solution class and TCD captures T&E expectations.	Feasible Technical understanding is mature enough to make an informed decision on the relative merits of solution classes and a determination on which solutions should not be pursued. Relevant technologies assessed to be at TRL 5.	Feasible Risk reduction activities (eg definition studies, modelling, demonstrations, industry proposals) have confirmed the feasibility of managing the technical difficulty involved and have been addressed in the acquisition strategy. Technical risk is assessed as Medium.	Industry Proposals Industry proposals/ DMO investigation indicate that capability and capacity exists in industry to deliver the solution.	Known The operating and support requirements for implementing industry proposals/ tenders for the solution have been assessed. Through life cost estimates and programming can be estimated.
	3	Feasible Solution understanding has progressed to a stage where critical schedule drivers can be broadly estimated based on precedence.	Reasonable Estimates are based on candidate system solutions classes. Necessary allowances for differences between candidate system solution and required capability identified and plausible provision made for these differences.	Solution Classes Solution classes that could satisfy operational needs identified. Personnel needs at the system level of solution classes can be identified.	Coalescing Understanding of solution elements is maturing and knowledge gaps can be identified sufficiently for definition studies to fill. Relevant technologies assessed to be at TRL 4.	Building Blocks Likely building blocks for the system solution(s) are identified and orders of technical risk can be assessed for the building blocks. Technical risk mitigation strategies can be identified to inform the acquisition strategy. Technical risk is assessed as High.	Strategy Developed A strategy for engaging industry in development of technical solutions/ technical risk reduction studies for capability options has been developed.	Feasible Understanding of the requirement has progressed to a stage where issues associated with bringing the capability into operational service are understood and major impacts on Fundamental Inputs to Capability (FICs) can be identified. Through life cost comparisons made for capability options.
	2	Drivers Known Indicative solutions and their schedule drivers can be identified and rough order schedule estimates can be assembled.	Plausible Estimates are indicative and derived from costs for like but not same solution classes.	Scenarios Identified Minimal set of operational scenarios for the capability have been identified that addresses system functionality and maximum range of performance parameters.	Minimal Some elements of the solution can be identified but no composite picture of all elements is apparent and missing elements are difficult to identify. Relevant technologies assessed to be at TRL 2-3.	Conceptual Technical solutions emerging but system configuration and integration immature and might entail high levels of risk. Overall technical risk is assessed as High.	Possible Likely industry sources have been identified and a high level acquisition strategy can be developed.	Conceivable Introducing the capability could entail substantial but manageable changes to the existing operating and support infrastructure that could conceivably be brought into being by the projected In Service Date.
	1	Speculative Guesstimate based purely on judgement with no supporting basis for the estimate	Speculative Guesstimate based purely on judgement with no supporting basis for the estimate.	Deficiency Strategic or operational analysis has identified a capability deficiency that needs to be rectified.	Not At All Insufficient knowledge to identify critical technologies. Relevant technologies assessed to be at TRL 1.	Not Defined No identified technical solution. Technical risk cannot be assessed and is deemed unacceptable.	Not yet No industry sources or technology solution precedents have been identified.	Not Identified Implications for the extant operating and support environment are unknown.

Project approvals, JPDs and responsible officers (CMs or CCs)

Env	No.	Ph	Project Title	Classified	Pass Approved	Joint Directive Number	Capability Realisation Authority	Note
JP	2090	1C	Combined Information Environment		1		MINSUB did not appoint CIO as the CM but with a similar role (ref: CDF(S)/OUT/2010/20; SEC(S)/OUT/2009/255)	No formal JPD signed. Early project dealt with before the JPD process was finalised.
LAND	19	7A	C-RAM		2	7/2011 replaced by 4/2013	CA	Superseded by JPD 4/2013 reflecting Sep-11 approval of changed FOC
AIR	5416	4B.2	C-130J LAIRCM		1	3/2011 replaced by 22/2012	CAF	First Pass approval. This JPD superseded by JPD 22/2012 to show Second Pass approval in Nov 2010 and amendment in Dec 2011.
PDF	2010		Project Development Funding		other			JPD not required - PDF not involving significant inter-group coordination or introduction to service.
LAND	121	4	Overlander		other			Provisions added to 5-Dec-11 decision and JPD 32/2012
LAND	112	4	ASLAV Enhancement		2			The project was cancelled by the 05-Dec-11 decision before the overarching JPD process and a specific JPD were finalised
SEA	1000		Future Submarine		other			JPD not required (no decision reached at this approval)
CTD	14		Capability Technology Demonstrator		other			JPD not required - technology demonstrator not involving significant inter-group coordination or introduction to service.
			Classified project	Yes	2	04/2011	DEPSEC I&S	
JP	129	2	Airborne surveillance for land operations		other	5/2011	CA	
JP	154	1	Joint CIED Capability		2			Details in JPD 14/2011 which includes aspects of October 2010 approval also
LAND	17	1B	Digital Terminal Control System		2	6/2011 replaced by 3/2013	CA	Superseded by JPD 3/2013 reflecting approval of full provision in December 2011
JP	154	1	Force Protection Electronic Counter Measures (FP-ECM)		2	14/2011	CA	Includes aspects of July 2010 approval also
AIR	5416	4B.2	C-130J LAIRCM (Long Lead Items)		2	see 22/2012	CAF	November 2010 Government Second Pass Approval - Long Lead Components. Details included with December 2011 Government approval (change to FMS Acquisition) in JPD 22/2012
AIR	5431	1	Deployable Defence Air Traffic Management and Control Systems		1	09/2011	CAF	

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Project approvals, JPDs and responsible officers (CMs or CCs)

SEA	1442	4	Maritime Communications Modernisation		1	22/2011	CN	
AIR	5376	HUG	Hornet Structural Assurance Consolidation Program		other	11/2011	CAF	
SEA	1448	4A	Improved ANZAC Tactical Electronic Support Capability (RCI)		1	10/2011	CN	
JP	2097	1B	REDFIN - Special Operations Capability		1	21/2011	CA	
JP	2047	3	Wide Area Communications Network Replacement		1	12/2011	CIO	CIO is both Capability Manager and Acquisition Authority
JP	2044	4	Digital Topographical Systems Upgrade		2	29/2011	DEPSEC I&S	
AIR	8000	4	Additional C-17 Globemaster III Heavy Lift Aircraft		2	15/2011 replaced by 36/2012	CAF	5th Globemaster. JPD 15/2011 replaced by 36/2012 reflecting March 2012 approval of 6th
JP	3030	1	Interim Amphibious Capability		2	24/2011	CN	
			Classified project	Yes	other			JPD not required - Funded from PDF - Electronic Warfare Education, Training & Research
			Classified project	Yes	2	19/2011	DEPSEC I&S	
JP	2072	2B	Battlespace Communications Systems (Land)		1	20/2011	CA	
JP	2080	2B.1	Defence Management Systems Improvement - Personnel System Modernisation (Studies)		other	25/2011	DEPSEC PSP	DEPSEC PSP is the Capability Coordinator. Further Government approval on 26 June 2012 will result in a replacement JPD when signed.
LAND	116	3.1	Additional Bushmasters		2	14/2012	CA	Will be replaced when JPD for phase 3.2 is signed - see June 2102 approval
PDF	2011		Project Development Funding		other			JPD not required - PDF not involving significant inter-group coordination or introduction to service.
			Classified project	Yes	1	18/2011	DEPSEC I&S	
			Classified project	Yes	2	17/2011	CA	
CTD	15		Capability Technology Demonstrator		other			JPD not required - technology demonstrator not involving significant inter-group coordination or introduction to service.
AIR	9000	SCAP1	Seahawk Capability Assurance Program		2			JPD not required (project moved to Sustainment); According to CDMRT, this project was closed. MINDEF agreed on 20 May 2011 to have the project funded from sustainment. MINDEF Smith/2011: 032433. CDF(S)/OUT/2011/454, SEC (S)/OUT/2011/138
LAND			Defence Materials Technology Centre		other			Minor activity - JPD not required

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Project approvals, JPDs and responsible officers (CMs or CCs)

AIR	9000	8	Future Naval Aviation Combat System		2	16/2011	CN	
JP	2008	3H	Military Satellite Capability - Wideband Terrestrial Terminals		1	23/2011	CA	
AIR	5438	1A	Lead In Fighter Capability Assurance Program (Spares buy)		other			Provisions added to 21-Nov-11 decision and JPD 3/2012
			Classified project	Yes	2	5/2012	DEPSEC I&S	
			Classified project	Yes	2	6/2012	DEPSEC I&S	
JP	2008	5B	Military Satellite Capability - Wideband Terrestrial Infrastructure		1	33/2011 34/2011	CA CIO	CA responsible under 33/2011 for Phase 5B.1 CIO responsible under 34/2011 for Phase 5B.2 The signed MAA confirms the separation of the projects. CIO is the Capability Coordinator (not the Capability Manager) in the 5B.2 JPD.
LAND	121	5A	Overlander - Field Vehicles and Trailers		2			Defence advised Govt "it would manage Phase 5A as real cost increase to Phase 3 and that Phase 5A would cease to exist as a separate project phase" (see JPD 28/2012).
SEA	1352	1	Evolved Sea Sparrow Missile (ESSM) Upgrade & Inventory Replenishment (Risk Reduction Study)		2	32/2011	CN	
SEA	4000	3.2	SM2 Conversion and Upgrade		2	31/2011	CN	
LAND	19	7A	C-RAM		other	4/2013	CA	Supersedes earlier JPD 7/2011, reflecting agreed changes to bases and FOC date
JP	2048	3	Amphibious Watercraft Replacement		2	1/2012	CN	
JP	2030	8	Joint Command Support Environment - Evolution 2		2		Anticipated VCDF as CC	JPD being processed
LAND	125	3C	Soldier Enhancement Version 2 - Lethality (Intermediate pass)		other	38/2012	CA	
JP	2069	2	High Grade Cryptographic Equipment		2	36/2011	CIO	
JP	3027	1	JDAM Enhancements		2	35/2011	CAF	
AIR	5431	2/3	Fixed Base Air Traffic Management and Control Systems		1	2/2012	CAF	
AIR	5438	1A	Lead In Fighter Capability Assurance Program		1	3/2012	CAF	Provisions include 5-Jul-11 approval of "Last Time Buy" of mission computer components
JP	2072	2A	Battlespace Communications Systems (Land)		2	8/2012	CA	
SEA	1448	2B	ANZAC Anti-Ship Missile Defence Update - Ships 2-8 (Revised scope)		other	33/2012	CN	

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Project approvals, JPDs and responsible officers (CMs or CCs)

JP	5408	3	ADF Navigation Warfare (NAVWAR) Capability - Handhelds (Pass 1 of 2)		2		Anticipated CA	JPD being processed
AIR	9000	5D	Additional Chinooks		2	9/2012	CA	
AIR	5416	4B.2	C-130J LAIRCM - change to FMS		other	22/2012	CAF	Replaces 3/2011 (on First Pass) and incorporates November 2010 Government Second Pass Approval for Long Lead Components. December 2011 Government Approval changes to FMS Acquisition
JP	154	3A	Counter IED - Ningau - HMEE		2			Provisions included in JPD 7/2012 showing details of two separate approvals for the same project on the same day.
JP	3024	1	Woomera Range Remediation		1		Anticipated CAF	JPD being processed
LAND	121	4	Field Vehicles & Trailers - PMV-L MSA Intermediate Pass		other	32/2012	CA	
LAND	121	3B	Field Vehicles & Trailers (Down select decision)		other		Anticipated CA	JPD being processed
LAND	121	5B	Field Vehicles & Trailers (Bring forward decision)		other			Provisions of Phase 5B included in JPD for Phase 3A, approved same day and shown below
AIR	7000	2B	Maritime Patrol Aircraft Replacement (Intermediate Pass)		other	4/2012	CAF	
LAND	17	1B	Artillery Replacement - Digital Fire Control Systems		2	3/2013	CA	Supersedes earlier JPD 6/2011 which was for partial approval of entire provision
JP	154	3A	Counter IED - Ningau - Full System		2	7/2012	CA	JPD provisions include details of two separate approvals for the same project on the same day (one listed earlier).
LAND	121	3A	Overlander-Light and Lightweight Tactical Training Vehicles, Modules & Trailers		2	28/2012	CA	The combined LAND 121 Phase 3 (Light and Lightweight Capability (LLC element) and LAND 121 Phase 5A (Tactical Training Vehicles and Trailers) are referred to as LAND 121 Phase 3A
LAND	112	4	ASLAV Enhancement Project (Cancellation)		other			Cancelled previous project approval -- no JPD required
JP	2070	2	Light Weight Anti-Submarine Torpedo Replacement (release of preserved funds)		other		Anticipated CN	JPD being processed
			Classified project	Yes	2	11/2012	CAF	
JP	3021	1	Joint Combined Training Capability - Mobile Electronic Warfare Threat Emitter System		1		Anticipated CAF	JPD being processed
JP	90	1	ADF Identification Friend or Foe (ADF IFF)		1		Anticipated CAF	JPD being processed

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Project approvals, JPDs and responsible officers (CMs or CCs)

LAND	136	1	Land Force Mortar Replacement		1		Anticipated CA	JPD being processed
JP	1770	1	Rapid Environmental Assessment		1	18/2012	CN	
SEA	1778	1	Deployable MCM - Organic Mine Counter Measures		1	19/2012	CN	
LAND	116	3.2	Thales Production (Long Lead Items)		other			Details included in JPD being prepared to cover this approval and that on 26 June 2012 for same project
AIR	8000	4	Additional C-17 Globemaster		2	36/2012	CAF	This was in addition to approval in March 2011 for Defence to acquire a fifth C-17A.
JP	3033	1	Interim Maritime Humanitarian Assistance and Disaster Relief Capability		2			No JPD raised as this was an accelerated acquisition, managed by DMO and implemented by Navy, and finished in a matter of months. Also see 2 April 2012 approval
AIR	5349	3	EA-18G Growler Airborne Electronic Attack Capability (Long Lead Items)		other			Provisions covered in JPD 34/2012 along with details of approval on 14 Aug 2012
JP	3033	1	Interim Maritime Humanitarian Assistance and Disaster Relief Capability		other		CN via the MAA	No JPD raised as this was an accelerated acquisition, managed by DMO and implemented by Navy, and finished in a matter of months. Also see 14 March 2012 approval
			Classified project	Yes	2		Anticipated DEPSEC I&S	JPD being processed
SEA	1000	1&2	Future Submarine Design and Construction (Initial Consideration)		other		Anticipated CN	JPD being processed
AIR	8000	2	Battlefield Airlift - Caribou Replacement		2		Anticipated CAF	JPD being processed
LAND	998	1	Replacement Aviation Fire Trucks		1	31/2012	CA	
JP	2069	2	High Grade Cryptographic Equipment		2			These provisions will be in the JPD being prepared to cover several tranches, the latest approval being on 22 November 2012
JP	2080	2B.1	Defence Management System Improvement - Personnel Systems Modernisation		1		Anticipated CIO	JPD being processed. CIO is the Capability Coordinator. JPD will replace 25/2011, which reflected pre-First Pass approval in May 2011.
LAND	116	3.2	PMV Production		2		Anticipated CA	JPD not yet finalised. It has related projects such as LAND 116 Phase 3 and Land 121 Phase 3. Will replace 14/2012 when signed
AIR	5349	3	EA-18G Growler Airborne Electronic Attack Capability		2	34/2012	CAF	JPD includes provisions from March 2012 approval as well.
JP	2069	2	High Grade Cryptographic Equipment (Tranche 3)		2			These provisions will be in the JPD being prepared to cover several tranches, the latest approval being on 22 November 2012

Project approvals, JPDs and responsible officers (CMs or CCs)

JP	2068	2B.2	Computer Network Defence		1		Anticipated CIO	JPD being processed
SEA	1439	5B.1	Collins Continuous Improvement Program Real Cost Increase (first tranche)		other		Anticipated CN	JPD being processed
LAND	17	1C.1	Additional Lightweight Towed Howitzers		2		Anticipated CA	JPD being processed
JP	3029	1	Space Surveillance Awareness – C-Band Radar		1		Anticipated CAF	JPD being processed
JP	2069	2	High Grade Cryptographic Equipment (Tranche 4)		2		Anticipated CIO	JPD is being processed to cover this and several earlier tranches. Ultimately, JPD 36/2011 (from October 2011 approval) will be replaced by the current draft, incorporating all 4 tranches.
AIR	5428	1	Pilot Training System		other			JPD not required. Government approval was only to clarify options -- no funding commitment.
			Classified project	Yes	1		Anticipated CN	JPD being processed
AIR	6000		Air Combat Capability Transition Review		other		Anticipated CAF	JPD being processed
JP	2047	3	Terrestrial Communications		2		Anticipated CIO	JPD being processed. Will eventually replace JP 12/2011, which shows provisions approved in February 2011.
JP	2025	7	Jindalee Operational Radar Network - Priority Industry Capability		2			JPD not required (project expected to be moved to Sustainment)
SEA	1448	4A	ANZAC Electronic Support System Improvements		2		Anticipated CN	JPD being processed
LAND	155	1	Enhanced Gap Crossing Capability		1		Anticipated CA	JPD being processed

Project Management Organisation Responsibilities

Primary responsibility and control flows through line management from CEO DMO to the PD/PM. Accountability and reporting flows from the PD/PM through line management to CEO DMO where, ultimately the buck stops. The typical allocation of responsibilities and accountabilities is set out in the Tables below.

General Manager

The responsibilities of the General Manger are to:

- Conduct line management, control and reporting in relation to the Portfolio of projects and Sustainment Activities assigned to the Group.
- Provide high-level guidance, throughout the project, to the Division Head and assist in making complex decisions on critical issues.
- Review resource arrangements allocated to each Division for their adequacy to carry out allocated Project and Sustainment activities.
- Ensure that the projects are proceeding within the parameters approved by Government.
- Advise on the Acquisition and Support Implementation Strategy before Project Approval by Government.
- Clear Project Approval submissions and project variation submissions to Government
- Approve documentation related to the more significant/sensitive project issues and risks, regardless of their value, before referral to CEO DMO, Secretary/CDF or Minister
- Maintain the appropriate balance of work between Division Heads within the Group.
- Approve appropriate external communication and publicity about the project.

Division Head

The responsibilities of the Division Head are to:

- Conduct line management, control and reporting in relation to the programs, projects, and sustainment activities assigned to the Division.
- Provide high-level guidance, throughout the project, to the Branch Head and assist in making decisions on critical issues.
- Provide support to the Branch Head and Project Director / Project Manager (PD/PM) in making key decisions on variances to project scope, cost and schedule.
- Review project resource arrangements for their adequacy and endorse major organisational changes to the project.
- Monitor the performance of projects and ensure that the project is meeting the requirements of approved Joint Project Directive.
- Conduct Additional and Budget Estimates for all projects and sustainment activites allocated to the Division.
- Ensure that allocated projects can manage their risks within the allocated contingency budget.
- Approve the Acquisition and Support Implementation Strategy.
- Consider approval of major project outputs (e.g. ITR/RFP/RFT, Source Evaluation Report, Project Closure Document, etc.) in accordance with Acquisition and Support Implementation Strategy.
- Exercise judgement in forwarding documentation for significant/sensitive projects, regardless of their value, to CEO DMO for clearance.
- Keep other affected Division Heads informed about project progress.
- Ensure that changes at the corporate level that may impact on the project are communicated to the Branch Head and PD/PM.
- Ensure levels of responsibility, authority, and accountability are clearly identified and promulgated.
- Approve appropriate external communication and publicity about the project.

Branch Head

The responsibilities of the Branch Head are to:

Act as delegate for FMA Act Approvals and other approvals assigned by the Division Head usually as part of the Acquisition and Support Implementation Strategy.

Conduct line management, control and reporting in relation to the project, other assigned projects and sustainment activities assigned to the Branch.

Ensure that adequate performance, reporting and control mechanisms are in place.

Monitor the performance of projects and ensure that the project is meeting the requirements of approved Joint Project Directive (JPD) and Materiel Acquisition Agreement (MAA).

Recommend Additional and Budget Estimate documents for all projects under your control to the Division Head.

Be aware of high level project risks and these risks can be mitigated within the allocated contingency budget.

Allocate project resources within approved budgets.

Provide guidance and support to the PD/PM and make timely decisions on critical issues.

Ensure compliance with the relevant laws, regulations, policy, and procedures.

Recommend a proposed Acquisition and Support Implementation Strategy for the materiel system to the Division Head.

Consider approval of major project outcomes/products, etc., in accordance with Acquisition and Support Implementation Strategy.

Ensure that, where appropriate, any proposed changes to the JPD and MAA consider acquisition and sustainment aspects, and necessary approvals are sought from the appropriate approval authority.

Ensure delegations for the project are appropriate.

Support the PD/PM in involving stakeholders and sustaining this involvement over long periods including, being the Chair of Project Management Stakeholder Group.

Commit the required resources and ensure PD/PMs release/retain the resources commensurate with the requirements of assigned projects.

Approve organisational changes within the project.

Assume responsibility for the management of a program of projects and the integration between the projects.

Recommend external communication and publicity about the project to the Division Head. Approve appropriate internal communication and publicity about the project.

Project Director / Project Manager

The responsibilities of the Project Director / Project Manager are to:

Deliver the Project in accordance with the requirements of the Joint Project Directive.

Establish adequate and robust planning for the project early in the Requirements Phase.

Monitor performance of the project and ensure it remains within the approved Joint Project Directive and Materiel Acquisition Agreement baselines.

Effectively manage the prime contract(s) and significant acquisitions by taking whole of life approach.

Establish support contract(s) as necessary and manage the support contract(s) until transition.

Assume responsibility for all aspects (financial, scope, schedule, commercial, contractual, technical, policy, industry, users aspects, etc.) of the project:

- lead and effectively manage the project team and other resources allocated to the project
- adhere to relevant laws, regulations, policies, processes and procedures to achieve the project outcomes
- act as delegate for FMA Act Approvals and other approvals assigned through the relevant Project Management Plans by the Branch Heads
- ensure that risks are treated and are monitored regularly to keep the risks under control
- identify, track and resolve issues
- conduct robust cost and schedule estimates during the requirements phase of the project
- ensure robust requirements traceability is in place and variance are managed and reported.
- analyse cost/capability/schedule trade-offs and proposed changes within the constraints set by the Business Case.
- ensure that the necessary stakeholder communications mechanisms are in place
- effectively liaise with various stakeholders and negotiate solutions with them and gain their support and agreement
- make informed decisions in consultation with relevant stakeholders
- ensure that adequate reporting and control mechanisms are in place
- prepare all Additional and Budget Estimate documents for approval by the Branch and Division Heads.
- recommend major project outputs (e.g. ITR/RFP/RFT, Source Response Evaluation Plan, Project Closure Document, etc.) for approval to the Branch Head/Division Head in accordance with Acquisition and Support Implementation Strategy, demonstrating that stakeholder endorsement has occurred
- Monitor and control progress against plans and report progress to higher management.

Review the delivery of project outcomes in accordance with the relevant acceptance criteria and transition to the In-Service Phase.

Support in-service equipment.

Identify and bid for adequate resources and release the resources when no longer required.

Recommend external and internal communication plans and publicity about the project to the Branch Head.

Be responsive to the Project Management Stakeholder Group (PMSG):

- seek PMSG/stakeholder input, as necessary, in the planning and execution of acquisition and related sustainment activities
- identify and involve appropriate stakeholders and project assurance representatives through the various approved communication mechanisms throughout the life of the project
- seek assistance and advice in monitoring and facilitating the working interfaces and interactions among relevant stakeholders to ensure quality and integrity of project
- seek input/endorsement (as necessary) of major outputs from the PMSG

FIGURE 1 - ROLES AND RESPONSIBILITIES OF CAPABILITY MANAGERS - CAPABILITY LIFE CYCLE

