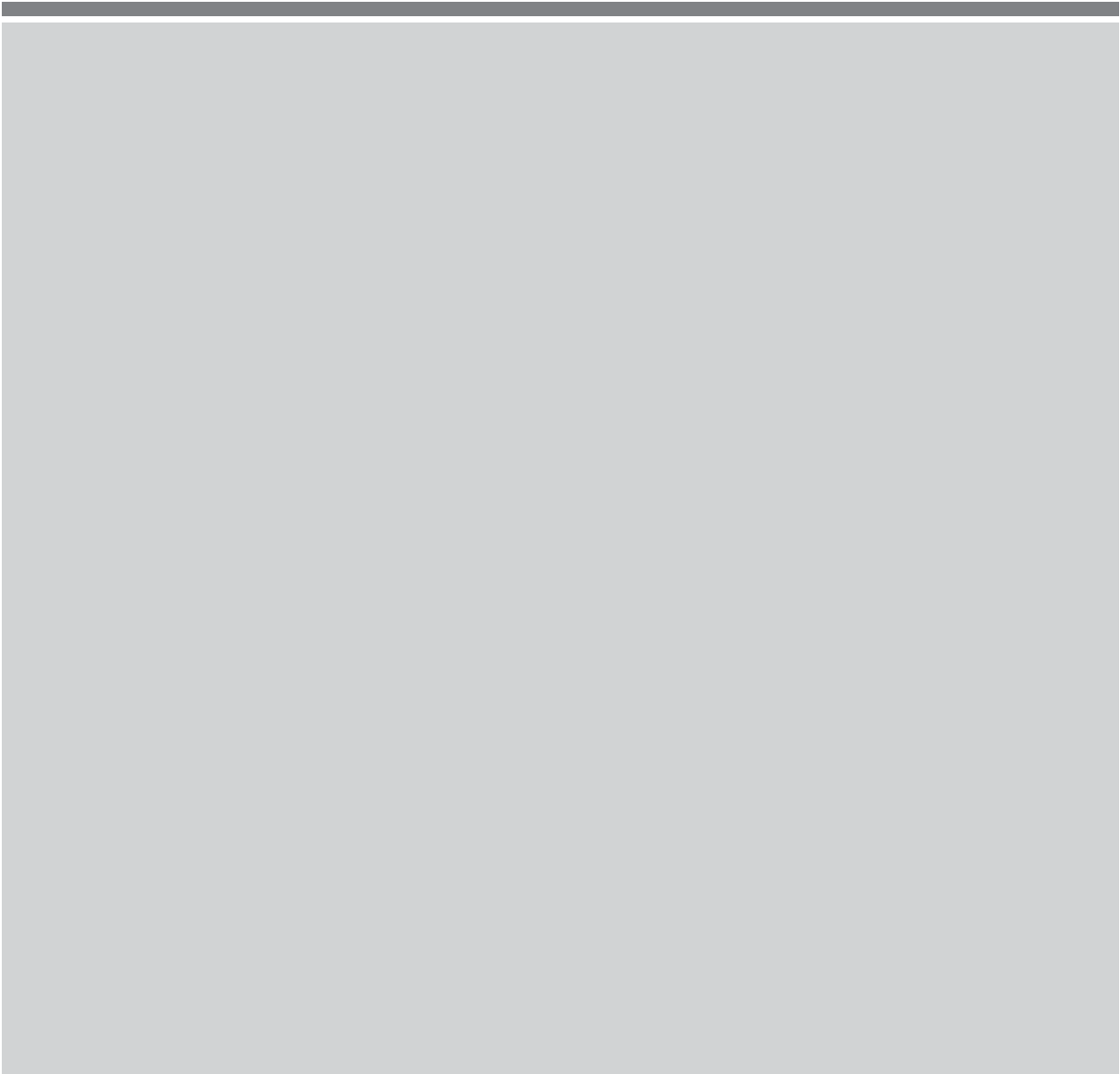


Online Material  
**Volume 2**



II

Web Table 1 Current status of previously reported Top 30 major projects (projects reported in the last five financial years)

Project name	Project Number/Phase	Last Financial Year Reported in Top 30	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2010 \$m	Actual 2010-11 \$m	Status Report
<b>General Manager Systems</b>						
<b>Aerospace Systems</b>						
C-17 Globemaster III	AIR 8000 Phase 3	2008-09	1,849	1,313	5	All four C-17 aircraft are in operational service and Initial Operating Capability was declared by Air Force in September 2007. Remaining capability objectives include delivery of acquisition logistics support assets, enhancement of C-17 self-protection, delivery of specialist role equipment and in-country training infrastructure. Delivery of these capabilities are anticipated to be on schedule and under budget.
Strategic Air Lift Capability	AIR 5216 Phase 1	2005-06	1,050	1,023	..	The project is now undergoing formal closure action.
Hornet Structural Refurbishment Program Stage 2	AIR 5376 Phase 3.2	2009-10	951	309	11	This project involved Centre Barrel Replacement (CBR) on up to 49 aircraft, along with discrete structural modifications. Research and analysis reduced the number of aircraft requiring CBR to 10, with the final aircraft delivered in June 2010. Of the remaining aircraft, 59 require the discrete modifications, and to date 33 have been delivered. In late 2010, Government approved the Hornet Structural Assurance Consolidation Program to address fleet age deterioration issues. This sustainment program subsumed the residual elements of the project.
P-3C Update Implementation	AIR 5276 Phase 2	2007-08	906	871	6	The variation was due to prime and subcontractor delays in delivering the new capability. The causes have largely been resolved and the In Service Date is now expected to be October 2011.
Hornet Upgrade Project Target Designation System	AIR 5376 Phase 2.4	2006-07	151	114	1	The Litening Target Designation system has been delivered within budget and on schedule. Flight envelope constraints with use of the new pods on one of the aircraft weapon stations were resolved in June 11. The project is now in the closure phase.

Project name	Project Number/Phase	Last Financial Year Reported in Top 30	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2010 \$m	Actual 2010-11 \$m	Status Report
Maritime Patrol and Response Aircraft	AIR 7000 Phase 2	2008-09	127	34	17	Contingency was returned in 2010-11 following the retirement of risk when the P-8A Spiral 1 Development MoU was signed.
AP-3C Electronic Support Measure Upgrade	AIR 5276 Phase 8B	2009-10	130	43	19	The variation was primarily due to delays by the prime contractor that resulted in two milestone payments slipping to 2011-12. In addition, there was lower than forecast spend on aircraft integration activities.
AP-3C Capability Assurance Program	AIR 5276 CAP 1	2009-10	88	41	15	The variation was due to delays by the contractor in delivering new capability, with the In Service Date delayed by 13 months. The causes have largely been resolved with this expenditure forecast to be achieved in 2011-12.
<b>Electronic Systems</b>						
Jindalee Radar Network	JP 2025 Phase 3&4	2006-07	1,249	1,237	1	The capability entered into service in May 2003 and acceptance will occur in August 2011. Expected project closure is end of 2011.
Electronic Warfare Self Protection for Selected Aircraft	AIR 5416 Phase 2	2009-10	292	266	8	The project has delivered the capability. Project closure has commenced including minor engineering changes and remediation to ensure the installed capability is supportable to end of life of the S-70A and CH-47D.
MILSATCOM Terrestrial Infrastructure	JP 2008 Phase 3E	2007-08	210	205	1	The full capability has been delivered and project closure has commenced.
<b>Explosive Ordnance</b>						
Explosive Ordnance Reserve Stocks	JP 2085 Phase 1B	2008-09	235	198	6	The project is nearing completion. All required orders have been placed, and the only significant outstanding deliveries (Excalibur projectiles and Advanced Field Artillery Tactical Data System (AFATDS) fire control software) are due to be received by the end of 2011-12. In 2010-11 the project received deliveries of AFATDS hardware and accessories. Actual spend was lower than budgeted mainly due to delays in development and delivery of AFATDS software.

Project name	Project Number/Phase	Last Financial Year Reported in Top 30	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2010 \$m	Actual 2010-11 \$m	Status Report
Bridging Air Combat Capability Weapons	AIR 5349 Phase 2	2009-10	277	87	16	Delivery of the Phase 2 weapons program has successfully achieved an Initial Operating Capability to Air Force. The project is ahead of schedule, and has begun to transition AIM-9X, JSOW C and IR Flares into the sustainment organisations. Advanced Medium Range Air to Air Missile (AMRAAM) software updates are progressing well and on track. The USN is working closely with the Commonwealth on the development, production and testing of the JSOW C and possible future AMRAAM upgrades.
Evolved Sea Sparrow Missiles	SEA 1428 Phase 4	2009-10	89	69	9	The schedule milestones in 2010-11 were not met due to longer than anticipated missile production periods caused by production shut downs and slowing of production rate. A revised production schedule has been developed by NATO SEASPARROW Project Office and the missile manufacturer, Raytheon Missiles Systems.
<b>Land Systems</b>						
Australian Light Armoured Vehicles	LAND 112 Phase 3	2005-06	691	595	6	Australian Light Armoured Vehicle (ASLAV) Phase 3 vehicles - LSD 144, 59 remote weapon stations and 9 crew procedural trainers have been delivered and through life support arrangements established. 18 Multi-Spectral Surveillance Suites (MSSS) remain to be delivered. The production stage of the surveillance contract was signed on 12 November 2010 and delivery of the MSSS units is scheduled to commence in mid 2012.
Tank Replacement Project	LAND 907 Phase 1	2007-08	560	436	5	All major capability platforms have been delivered, Leopard tank disposal has been completed and a through life support contract has been established. The project is finalising the acquisition of tank urban survivability kits in preparation for project closure in December 2011.

Project name	Project Number/Phase	Last Financial Year Reported in Top 30	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2010 \$m	Actual 2010-11 \$m	Status Report
General Service Field Vehicles	LAND 121 Phase 2	2005-06	94	68	2	Land Rover (LR) Handling Upgrade and the LR Fitted-For-Radio variant is to be removed from Phase 2A scope due to no viable engineering solution being identified. Two Minister approval is being sought. Mack In-Cabin Noise Reduction - Project closure is scheduled for December 2011. Unimog and Mack Gun Tractors Personnel/Cargo Restraint and Segregation - Project closure is scheduled for December 2011. LR Improvements - Modification of the Regional Force Surveillance Vehicles is complete. Project closure is scheduled for December 2011.
<b>Maritime Systems</b>						
Anzac Ship Project	SEA 1348 Phase 2	2007-08	5,381	5,355	11	Contractor warranty work and essential safety upgrades of ships to contemporary standards continues subject to ship availability. It is planned to have all work completed by December 2012 and to close the Project by June 2013.
Armidade class Patrol Boat	SEA 1444 Phase 1	2007-08	537	479	6	The 14 patrol boats are in service and engaged in operations. Eight vessels have been upgraded to improve engineering and habitability issues.
Anzac Ship Anti-Ship Missile Defence	SEA 1448 Phase 2A	2007-08	389	196	41	Lead ship, HMAS <i>Perth</i> was successfully upgraded and tested at sea between January 2010 - June 2011 with Chief of Navy awarding initial operational release of Stage 1 capability. Based on the success of the first ship, Government is scheduled to consider the remaining seven Anzac class frigates for upgrade in late 2011.
Ships Self Defence Capability	SEA 1779 Phase 1	2007-08	53	44	..	Project is to close by end October 2011.

Project name	Project Number/Phase	Last Financial Year Reported in Top 30	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2010 \$m	Actual 2010-11 \$m	Status Report
<b>General Manager Programs</b>						
<b>Amphibious Deployment and Sustainment</b>						
Maritime Operations Support Capability	SEA 1654 Phase 2A	2006-07	139	136	2	Operational Release was gained in Jan 2011. Logistics support certification activities are expected to be completed by Sept 2011. Project closure is expected early 2012.
<b>Collins and Wedgetail</b>						
Collins Replacement Combat System	SEA 1439 Phase 4A	2007-08	450	422	3	The first Replacement Combat System baseline CS04 has been installed successfully on HMA Submarines <i>Waller</i> and <i>Farncomb</i> . Both have been operationally accepted by the Navy. The second baseline CS05 has been installed on HMAS <i>Dechaineux</i> and has initial operational acceptance. CS05 is also presently being installed on HMAS Sheean during its full-cycle docking. The remaining platforms HMA Submarines <i>Rankin</i> and <i>Collins</i> will get the third baseline CS06 during their respective FCDs. The project is proceeding to schedule.
Collins class Submarine Reliability and Sustainability	SEA 1439 Phase 3	2008-09	411	299	14	The project has achieved Initial Materiel Release for the majority of the 22 sub-projects with the remaining elements to be implemented in accordance with the Submarine Program Integrated Master Schedule coupled to the full-cycle dockings.
New Heavyweight Torpedo	SEA 1429 Phase 2	2009-10	425	267	18	HMA Submarines <i>Waller</i> , <i>Farncomb</i> and <i>Dechaineux</i> have been upgraded. The MK48 Mod 7 CBASS heavyweight torpedo with the initial software capability baseline and the modified platform systems fitted in the Collins class achieved Operational Release in March 2010. Installations in HMA Submarines <i>Sheean</i> and <i>Rankin</i> continue with the completion date coupled to the submarine full-cycle docking schedules. Initial Operational Release for the torpedo, incorporating an improved capability software baseline, was approved by Chief of Navy on 8 March 2011.

Project name	Project Number/Phase	Last Financial Year Reported in Top 30	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2010 \$m	Actual 2010-11 \$m	Status Report
<b>Human Resources and Corporate Services</b>						
Improvements to the Logistics Information Systems	JP 2077 Phase 2B	2009-10	153	134	18	The Interim Operating Capability has been delivered. Final Material Release is subject to the resolution of extant defects which are expected to be resolved by December 2011.
<b>New Air Combat Capability</b>						
Detailed Analysis and Acquisition Planning	AIR 6000 Phase 1B	2009-10	103	98	1	Achieved the primary aim of Phase 1B (i.e 2nd Pass approval in November 2009 for New Air Combat Capability - Phase 2A/2B, Stage 1) - thereby moving into the acquisition phase for Australia's first 14 Joint Strike Fighter (JSF) (under Phase 2A/2B). Primary financial activity for Phase 1B was provision of Australia's shared cost contribution to the US JSF Program in accordance with MoU obligations. This activity is largely complete and AIR 6000 Phase 1B will be closed in 2011-12.

# EXTENDED CONSULTANCIES

Web Table 2 shows a breakdown of the 5 consultancy services by method of procurement and reason for engagement and as a percentage comparison.

**Web Table 2 Breakdown of Consultancy Services by Selection Process**

Method of Procurement - Selection Process	Number of Contracts	Contract Value \$m	Percentage \$m
Direct sourcing	2	132,550.00	35%
Open Tender	3	244,790.90	65%
Panel			%
Select tender			%
<b>Total</b>	<b>5</b>		<b>100%</b>

Web Table 3 provides details of the 5 consultancy contracts let in 2010-11, that had a total individual contract value of \$10,000 or more (inclusive of GST). The total value of these contracts were \$0.4 million.

Web Table 3 Consultancy services let during 2010-11, with a total contract value of \$10,000 or more (inclusive of GST)

Consultants Name	Description	Contract Value \$ (Incl GST)	Selection Process [1]	Justification [2]
Deloitte	Review of DMO model assessing extent to which cost growth of military equipment differs from general rate of inflation.	176,790.90	Open Tender	C
DES Nicholls	Expert advice on methodology to measure value for money provided by major contractors to DMO and inflationary impacts in cost base	33,000.00	Open Tender	C
Macroeconomics.COM.AU PTY LTD	Combat clothing study	35,000.00	Open Tender	B
Corporate Scorecard PTY LTD	Analysis of annual financial statements of major contractors to DMO, including development of credit rating and estimating economic profit.	31,350.00	Direct Sourcing	B
URS Australia PTY LTD	Procurement of services to undertake an Economic Analysis of the Textile, Clothing and Fabric Industry	101,200.00	Direct Sourcing	B

#### Notes

##### 1. Methods of Procurement

Open Tender - A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

Select Tender - A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders in accordance with the mandatory procurement procedures.

Direct Sourcing - A procurement process, available only under certain defined circumstances, in which an agency may contact a single potential supplier or suppliers of its choice and for which conditions for direct sourcing apply under the mandatory procurement procedures.

Panel - An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangement.

##### 2. Reasons for engagement

A Skills currently unavailable within agency

B Need for specialised or professional skills

C Need for independent research or assessment

EXTENDED CONSULTANCIES

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