

Project Data Summary Sheet¹

Project Number	AIR7000 Phase 1B
Project Name	MQ-4C TRITON REMOTELY PILOTED AIRCRAFT SYSTEM
First Year Reported in the MPR	2019-20
Capability Type	New
Capability Manager	Chief of Air Force
Government 1st Pass Approval	Jul 06
Government 2nd Pass Approval	Jun 18 (Tranche 1) Mar 19 (Tranche 2) May 20 (Tranche 3) Nov 20 (Tranche 4)
Budget at 2nd Pass Approval	\$2,071.4m
Total Approved Budget (Current)	\$2,447.7m
2023–24 Budget	\$321.1m
Complexity	ACAT II



Section 1 – Project Summary

1.1 Project Description

1.1 Project Description
AIR7000 Phase 1B will acquire up to six MQ-4C Triton aircraft and support systems through a Cooperative Program with the United States Navy (USN). The MQ-4C Triton is a High Altitude Long Endurance (HALE) Remotely Piloted Aircraft System (RPAS) that will complement the P-8A Poseidon to deliver the Maritime Patrol and Response capability. Government approval for the acquisition of four MQ-4C Triton Air Vehicles (AV) and associated support systems was provided through a series of tranche approvals from 2018 through 2023. Acquisition of further two aircrafts and associated support is subject to future Government approvals.

1.2 Current Status

1.2 Current Status
<p>Cost Performance</p> <p><u>In-year</u> As at 30 June 2024 Financial Year (FY) 2023-24 expenditure was \$259.0m against the FY 2023-24 budget of \$321.1m. The End of Year underspend is primarily due to delays in recognition of expenditure information related to the Cooperative Program deliveries for the USN for Aircraft 01-03, Production Engineering (US), Initial Support and Future Logistics Procurement related expenditure.</p> <p>The project has recognised Work Performed Not Invoiced as per the approved accrual strategy for monthly accruals, against AV 01-04, through the Co-operative program with the USN.</p> <p><u>Project Financial Assurance Statement</u> As at 30 June 2024, AIR7000 Phase 1B 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.</p> <p><u>Contingency Statement</u> The project has not applied contingency in the FY 2023-24.</p> <p>Schedule Performance</p> <p>In February 2020 the US Federal Defense budget proposed a pause in production funding for the USN MQ-4C Triton project for two years (US Fiscal Years 2021 and 2022). US Congressional approved budget reduced the impact of the proposed budget cuts, however uncertainty in the US Program initiated a delay in the decision to proceed with the facilities program for AIR7000 Phase 1B. Production funding has now been lifted and USN has confirmed its funding commitment to Triton program.</p> <p>To balance the developmental technology risk, emerging capabilities and the needs of the joint force, the Government approved an incremental approach to acquisition, which has extended the timeline for Final Operational Capability (FOC).</p> <p>The first three AV are expected to be delivered by the planned Initial Operational Capability (IOC) date (only two AV are required to be delivered for IOC). An additional fourth aircraft was approved by the Government in April 2023. Defence is currently on track to achieve IOC.</p> <p>The flow-on effect of a one-year delay was detailed in the May 2020 Cabinet Submission and accepted by Government. Post resumption of the production funding by the US, Public Works Committee (PWC) Approval was received for the construction of the Triton Facilities in November 2022.</p>

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.

Material Capability/Scope Delivery Performance

The project is expected to achieve the current approved capability scope of four AV and systems. Achievement of the full capability of six AV is subject future Government decisions.

The USNs delivery of Integrated Functional Capability (IFC-4.0) has been split into two increments. The capabilities included in IFC-4.0 Increment 1 are all required to meet Australia's IOC and will be included in the baseline configuration for Australia's first three aircraft. It is expected that IOC will be achieved with the delivery of Increment 1. Increment 2 will deliver new and upgraded capabilities to the MQ-4C Triton Intelligence (MULTI-INT) platform. Elements of the funded developmental capabilities are not expected to be progressed into the platform due to prioritising other capabilities. Further refinement of the requirements have commenced to ensure the intent of Sense and Avoid (SAA) could still be met.

Note

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

1.3 Project Context**Background**

The AIR7000 Program replaces the Maritime Patrol and Response capability with a complementary mix of crewed P-8A Poseidon (AIR7000 Phase 2B) maritime patrol aircraft and the MQ-4C Triton RPAS (AIR7000 Phase 1B), designed to operate as a 'family of systems'.

In July 2006, the Government agreed to participate with the USN under a Project Agreement to develop the Broad Area Maritime Surveillance (BAMS) capability. In 2008, the Northrop Grumman Global Hawk variant (now designated the MQ-4C Triton) was selected by the USN as the winning tender for the BAMS program. In February 2009, the Government deferred AIR7000 Phase 1B due to delays in the USN BAMS program but continued to monitor Triton performance in the USN program.

In February 2014 Government agreed that Defence continue development of a single capability option for AIR7000 Phase 1B for up to seven MQ-4C Triton. The approved acquisition strategy for the MQ-4C Triton was procurement via Foreign Military Sales (FMS). However, the 2014 submission to Government advised of Defence's intent to investigate the value proposition of entering into a Cooperative Program with the USN.

In June 2018, Government provided Second Pass (Tranche 1) approval to procure the first of six AV, supporting systems and spares, and approval to enter a Triton Development, Production and Sustainment (DPS) Cooperative Program. Second Pass approval (Tranche 2) for the second AV was provided in March 2019.

The project was declared a Project of Interest (POI) in March 2020, due to the USN announcing a two-year production funding pause, in February 2020, for its Triton program (United States (US) Fiscal Years 2021 and 2022). The project was removed from the POI list in August 2022.

During 2020, Government approved a third AV (Tranche 3) and interim support services for the initial seven years of operations (Tranche 4).

In October 2022, the project updated the Materiel Acquisition Agreement (MAA) to align FOC dates with those approved by Government in 2020.

In November 2021, the US Federal Budget reinstated production and development funding for the US Navy MQ-4C Triton project which has restored confidence and reduced risk associated with the acquisition strategy.

In April 2023, the Government approved a fourth AV.

In August 2023, the Interim Sustainment Support Contract (ISSC), with Northrop Grumman Australia (NGA) was signed, with the ISSC phase-in commencing in September 2023.

In April 2024, the project updated the MAA to include the fourth AV, and supporting systems, following Government approval.

Uniqueness

The MQ-4C Triton is the largest RPAS to be operated by the Royal Australian Air Force (RAAF). It is a HALE-RPAS optimised for use in the maritime environment, and provides far greater on-station endurance at greater ranges when compared to conventionally piloted aircraft.

The MQ-4C Triton is a developmental platform and the IFC-4.0 configuration is still undergoing flight test activities for the USN. Full engineering and technical documentation for the IFC-4.0 configuration are becoming available and is expected to be delivered throughout 2024 for Increment 1. The Australian engineering, verification and validation and acceptance planning will remain in development while the USN completes their developmental activities.

Acquiring Triton through a Cooperative Program enables Defence to gain insights and influence on design and development that reduces risks associated with transition into service and promotes interoperability with our major security partner. The RAAF MQ-4C Triton will be identical to the USN MQ-4C Triton, except for minor configuration differences due to national requirements (such as different aircraft marking schemes). Other support elements, such as training devices and spares, will also remain as common as technically possible.

The MQ-4C Triton is categorised as a Specific Type A Un-crewed Aircraft System (UAS) under the Defence Aviation Safety Regulations (DASR). Specific Type A UAS must comply with the DASR initial and continuing airworthiness regulations to an extent that is proportionate to the complexity of the operating environment and the robustness of the UAS design. Safety of design for an Australian Defence Force (ADF) UAS Operating Permit (UASOP) is based on risk characterisation and control.

Australian airspace is regulated and managed differently to the US. The MQ-4C Triton requires a unique and deliberate program of integration into Australian airspace and the surrounding international airspace zones.

Major Risks and Issues

The project is currently managing the following major risks:

- Single Information Environment (SIE) Integration.
- Immature Data to adequately quantify Sustainment costs.

Project Data Summary Sheets

Auditor-General Report No.20 2024–25
2023–24 Major Projects Report

The project is currently managing the following emergent major risks:

- Support System Readiness.
- Limited Test and Evaluation Data to inform IOC.
- Information and Communication Technology (ICT) Assessment and Authorisation.
- Spares Availability.

The project is not currently managing issues.

Other Current Related Projects/Phases

AIR7000 Phase 2 – Maritime Patrol and Response Aircraft System. The acquisition of 14 P-8A Poseidon and through Life Support system. Triton and Poseidon will form part of a 'Family of Systems' to replace the AP-3C Orion Capability.

JP2289 – Joint Information Environment.

Note

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

Section 2 – Financial Performance²

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
Project Budget			
Jul 06	Original Approval (Government First Pass Approval)	3.9	1
Feb 14	Government Intermediate Consideration	18.4	2
Mar 16	Government Interim Consideration	1.5	3
Jun 18	Government Second Pass Approval – Tranche 1	901.1	4
Jun 18	Real Variation – Transfer	1.0	5
Apr 19	Real Variation – Transfer	0.7	5
Jul 19	Government Second Pass Approval – Tranche 2	320.8	6
Jun 20	Government Second Pass Approval – Tranche 3	626.1	6
Mar 21	Government Second Pass Approval – Tranche 4	197.8	7
Total at Second Pass Approval		2,071.4	
May 09	Price Indexation	0.2	8
Aug 09	Real Variation – Real Cost Decrease	(1.3)	9
Jun 20	Real Variation – Real Cost Decrease	(2.2)	10
Feb 22	Real Variation – Budgetary Adjustment	17.7	11
Apr 23	Subsequent Government Approval – Additional AV	270.1	12
Oct 23	Real Variation – Transfer	(3.9)	13
		280.6	
Sep 23	Exchange Variation	95.7	14
Jun 24	Total Budget	2,447.7	
Project Expenditure			
Prior to Jul 23	Contract Expenditure – US Government (Triton Prime Contracts)	(330.7)	
	Contract Expenditure – US Government (DPS Memorandum of Understanding (MoU))	(211.3)	
	Contract Expenditure – US Government (Project Arrangement 1 (PA-1) Sense and Avoid Capability)	(63.5)	
	Contract Expenditure – US Government (AV 4)	(60.1)	
	Contract Expenditure – US Government (USN Production Engineering and Logistics Support)	(46.2)	
	Contract Expenditure – US Government (Diminishing Manufacturing Source (DMS) Items)	(29.7)	
	Other Contract Payments / Internal Expenses	(184.7)	15
		(926.1)	
FY to Jun 24	Contract Expenditure – US Government (Triton Prime Contracts)	(87.6)	
	Contract Expenditure – US Government (AV 4)	(51.6)	
	Contract Expenditure – US Government	(18.1)	

Notice to reader

2. 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.

	(USN Production Engineering and Logistics Support)		
	Contract Expenditure – Northrop Grumman Australia (ISSC)	(14.8)	
	Contract Expenditure – US Government (Diminishing Manufacturing Source (DMS) Items)	(1.4)	
	Other Contract Payments / Internal Expenses	(85.6)	16
Jun 24	Total Expenditure		(259.0)
			(1,185.2)
Jun 24	Remaining Budget		(1,262.6)

Notes	
1	Government First Pass Approval to initiate the project and enter a Project Agreement with USN for development of a BAMS capability.
2	Government Intermediate Pass Approval, to continue development of a single capability option for AIR7000 Phase 1B and establishment of a FMS Technical Services Case.
3	Government Interim Pass, to continue project development of submission, including negotiation of a Cooperative Program MoU, for Second Pass approval.
4	Government Second Pass Approval Tranche 1 Funding. Tranche 1 approval to fund one x AV, three x Main Operating Base (MOB) Mission Control Systems (MCS), two x forward Operating Base (FOB) MCS and associated support systems and spares.
5	Funding transfers from Defence Science and Technology Group to Capability Acquisition and Sustainment Group (CASG).
6	Government Second Pass Approval Tranche 2 and 3 to fund a total of two additional AV and associated support systems.
7	Tranche 4 approved initial sustainment funding for the first seven years.
8	Until July 2010, indexation was applied to project budgets on a periodic basis. The cumulative impact of this approach was \$0.2m, applied only to the portion of the budget approved at Government First Pass Approval.
9	Government decision to defer the project, excess funds returned to Government after the completion of First Pass approved scope.
10	Force Structure Plan amendment in June 2020.
11	Air Force Headquarters (AFHQ) budgetary adjustment made to allow for greater flexibility for reprogramming and reduce pressure on the Air Force operating budget.
12	Government approval for an additional AV, increasing project approved budget.
13	Transfer to Security and Estate Group for Tindal Facilities Construction.
14	Movements in the budget resulting from 2023-24 Mid-Year Economic and Fiscal Outlook updates to the applied foreign exchange rate.
15	Other contract payments/internal expenses to support the Triton capability before July 2023 Comprised of; Project management expenses (\$74.2m), Government Furnished Equipment (GFE) (\$53.6m), Initial Support (\$19.4m), Mission Systems Trainer (MST) (\$13.1m), Initial sparing (\$7.6m), Chief Information Officer Group (CIOG) (\$7.1m), US provided training (\$3.8m), Australian Minotaur Integration Capability (AMIC) (\$3.0m), FOB trailerisation (\$1.5m) and AFHQ expenses (\$1.3m).
16	Other contract payments/internal expenses to before July 2024 Comprised of; Initial Sparing (\$29.1m), Project management (\$27.0m), GFE (\$10.6m), MST (\$5.2m), AFHQ expenses (\$3.6m), FOB trailerisation (\$3.2m), Repair Of Repairable Spares (\$2.3m), Initial Support (\$2.1m), US provided training (\$1.7m), and AMIC (\$0.8m).

2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
315.2	329.0	321.1	<u>Portfolio Budget Statements (PBS) to Portfolio Additional Estimates Statements (PAES)</u> : The variation was a result of a budget transfer for facilities, increases to the budget for the fourth air vehicle, and budget baseline changes. Further variation can be attributed to foreign exchange updates. <u>PAES to Final Plan</u> : Variation can be attributed to foreign exchange updates and budget baseline changes.
Variance \$m	13.8	(7.9)	Total Variance (\$m): 5.9
Variance %	4.4	(2.4)	Total Variance (%): 1.9

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
		(5.2)	Australian Industry	The End of Year underspend is primarily due to delays in recognition of expenditure information related to the Cooperative Program deliveries for the US Navy for AV 01-03, Production Engineering (US), Initial Support and Future Logistics Procurement related
		-	Foreign Industry	
		-	Early Processes	
		(0.4)	Defence Processes	
		(56.5)	Foreign Government Negotiations/Payments	
		-	Cost Saving	

Project Data Summary Sheets

Auditor-General Report No.20 2024–25
2023–24 Major Projects Report

		-	Effort in Support of Operations	expenditure. The project has recognised Work Performed Not Invoiced as per the approved accrual strategy for monthly accruals, against AV 01-04, through the Co-operative program with the US Navy.
		-	Additional Government Approvals	
321.1	259.0	(62.1)	Total Variance	
		(19.3)	% 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			
US Government (DPS MOU)	Jun 18	200.0	229.3	Cost Ceiling (Capped)	MoU	1
US Government (DMS Items)	Nov 18	0.5	35.0	Variable	MoU	2, 3
US Government (Triton Prime Contracts)	May 19	37.5	570.3	Variable	MoU	3, 4
US Government (USN Production Engineering and Logistics Support)	May 19	0.7	180.5	Variable	MoU	3, 5
US Government (PA-1 Sense and Avoid Capability)	May 19	61.3	67.3	Cost Ceiling (Capped)	MoU	1, 6
US Government (Air Vehicle 4)	Oct 23	200.5	205.6	Variable	MoU	7
Northrop Grumman Australia (ISSC)	Aug 23	214.5	216.9	Cost Ceiling (Capped)	Contract	-
Notes						
1	DPS MoU and PA-1 funding is limited to a cost ceiling, which can only be changed upon mutual written consent of the Participants. Australia is responsible for paying a proportion of the total costs based on the relative number of Australian aircraft in the overall fleet.					
2	DMS Items is a US Government managed program to address availability and obsolescence of components. Additional Australian aircraft and the developmental nature of the program required an uplift to the initial funded amount.					
3	Contract value as at 30 June 2024 is based on actual expenditure to 30 June 2024 and remaining commitment at current budget exchange rates. This includes adjustments for indexation (where applicable). The incremental funding of these activities will see a progressive increase to the price.					
4	In May 2020 the scope of the contract was expanded to include three x AV, one x MOB MCS and one x FOB MCS.					
5	Production Engineering and Logistics Support requests are made on an annual basis. The value of this contract will increase annually.					
6	PA-1 SAA capability has fully expended all funding to the US Government.					
7	Procurement of a fourth MQ-4C Triton AV under the MQ-4C Triton Cooperative Program with the US Government.					

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 24		
US Government (DPS MOU)	N/A	N/A	Australia's contribution to shared costs from FY 2017-18 to FY 2027-28 includes contribution to DPS for common efforts, and project overhead and administration costs.	1
US Government (DMS Items)	Various	Various	DMS is managed through monitor and risk mitigation efforts, life-of-type procurements, design changes to substitute new parts and other treatments. Signature allowed DMS treatments to be applied for Australian supplies within the US DMS program.	2
US Government (Triton Prime Contracts)	Various	Various	For Low Rate Initial Production five aircraft and ground system long-lead components. Australian elements of the awarded contract include three x AV, two x MOB MCS and one x FOB MCS.	-
US Government (USN Production Engineering and Logistics Support)	N/A	N/A	USN labour and services including, but not limited to; Non Recurring Engineering efforts in support of aircraft and system production, logistics modelling and forecasting.	-
US Government (PA-1 Sense and Avoid Capability)	N/A	N/A	Australia's contribution to shared costs from FY 2018-19 to FY 2023-24 for the development of the SAA capability (including weather radar) to enable greater access to airspace and environmental conditions.	-

US Government (Air Vehicle 4)	Various	Various	For Low Rate Initial Production Six aircraft. Australian elements of the awarded contract includes one AV (the fourth air vehicle).	-
Northrop Grumman Australia (ISSC)	N/A	N/A	Northrop Grumman Australia have been engaged by the Commonwealth to provide engineering, maintenance and supply services for the MQ-4C Triton Weapon System, under the ISSC. The Northrop Grumman Australia support is being provided with close collaboration of the USN to ensure that maximum benefit to Australia can be gained through our ongoing involvement in the MQ-4C Cooperative Program.	3
Major equipment accepted and quantities to 30 Jun 24				
Nil				
Notes				
1	No equipment delivered as part of this MoU and Project Arrangement.			
2	DMS supplies and non-recurring engineering will be incorporated into production aircraft and systems before delivery.			
3	Initial term expires 30 June 2027 with a renewal term of up to two, one-year periods.			

2.4 Australian Industry Capability

Summary	
The project has no contracted Australian Industry Capability (AIC) targets or an AIC Plan, for its US Government Cooperative acquisition Program, as the US Cooperative Program arrangement does not include the contractual provision or obligations for Australian Industry Content.	
Northrop Grumman Australia has an AIC Plan, which aims to maximise Australian Industry involvement whereby Northrop Grumman Corporation engineering, maintenance, and operation subject matter experts will establish operations and transfer their specialist Original Equipment Manufacturer knowledge and expertise to Northrop Grumman Australia personnel.	
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.	

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	Triton MULTI-INT System Requirements Review 2	N/A	N/A	Dec 15	N/A	1
Preliminary Design	Triton MULTI-INT Preliminary Design Review	N/A	N/A	Dec 16	N/A	1
Critical Design	Triton MULTI-INT Critical Design Review	N/A	N/A	Nov 17	N/A	1
Notes						
1	These milestones were achieved by the USN as part of the developmental program schedule prior to AIR7000 Phase 1B Second Pass approval and Australia joining the Cooperative Program.					

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	IFC-4.0 Initial Operational Test & Evaluation	N/A	N/A	N/A	N/A	1, 4
	IFC-4.0 Increment 1 Operational Assessment to Support IOC	Jun 23	N/A	Jul 24	13	2, 4
	IFC-4.0 Increment 2 Operational Assessment Post IOC	NFP	N/A	NFP	NFP	3, 4
Acceptance	Delivery to Australia of initial Mission Control System	Oct – Dec 21	N/A	Feb 24	28	5
	Commencement of crew training with the USN	Jul – Sep 22	N/A	Dec 22	5	6
	Issue of Airworthiness Instrument (JASOP)	Mar – May 23	N/A	Sep 24	18	7
	Delivery of sixth and final MQ-4C AV [Subject to Government Approval of AV 5-6 and sequencing with USN]	To Be Announced (TBA)	TBA	TBA	N/A	8

Project Data Summary Sheets

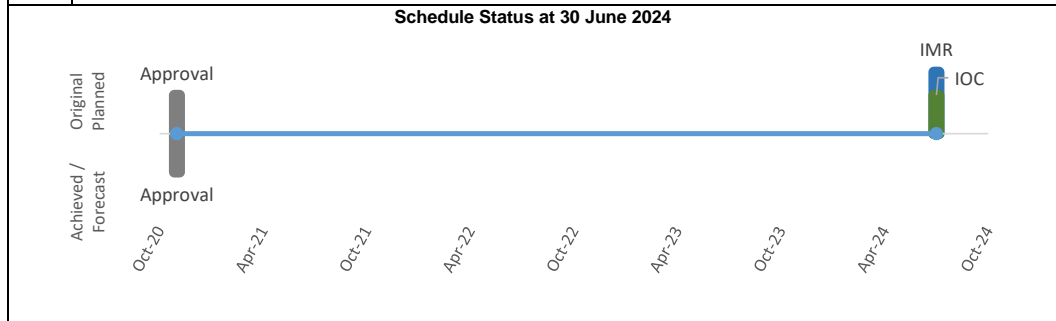
Auditor-General Report No.20 2024–25
2023–24 Major Projects Report

Notes	
1	This was a USN and Northrop Grumman Systems Engineering milestone, originally forecast for August 2021, for the IFC-4.0, the baseline configuration for the ADF. IFC-4.0 has now been split into two increments per the revised USN delivery schedule.
2	As a result of the Incremental approach to the delivery of IFC-4.0, the forecast date for achievement of the Operational Assessment has changed to account for the revised capability delivery. The most recent advice from the USN is a forecast of July 2024.
3	While Increment Two funding has been approved by the US Government, a Senate mark reduced development funding in FY 2023/24. Increment 2 will deliver upgraded capabilities along with a SAA functionality to meet the requirements of PA-1.
4	Due to the development nature of this capability, System Integration milestones are being further refined and are expected to be amended.
5	Production funding pause announcement delayed the original schedule preventing PWC referral in March 2020. Facilities works was paused until Government approval in November 2022. The change in basing for aircraft from Edinburgh to Tindal resulted in a redesign which has also contributed to the amendment of dates.
6	Training needs analysis in consultation with the US revealed a change to the training requirements and hence the schedule amendment.
7	At Government Second Pass Approval (Tranche 3) In Service Date (ISD) was amended by 12 months (and consequently IMR and IOC by 24 months against the Original Planned) due to the impacts of the USN production funding pause announcement in February 2020, resulting in pause of facilities progression. This had a flow-on effect on Project schedule. As the Operating Permit was required to support activities from first flight to IOC, the date required for the Operating Permit was amended, leading to the identified variance.
8	Maritime Patrol and Response submissions are subject to tranching Government approval. Following each tranche of Government approval, project milestone definitions and the project schedule will be re-baselined through an MAA update.

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
In Service Date (ISD)	Jul 23	NFP	NFP	NFP
Initial Materiel Release (IMR)	May - Jul 24	NFP	NFP	NFP
Initial Operational Capability (IOC)	Jul 24	NFP	NFP	NFP
Final Materiel Release (FMR)	NFP	NFP	NFP	NFP
Final Operational Capability (FOC)	NFP	NFP	NFP	NFP




Notes	
1	NFP



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	
 <p>99%</p>	<p>Green: The project expects to meet the current capability requirements as expressed in the MAA, noting that the full capability is yet to be approved by Government.</p>
 <p>1%</p>	<p>Amber: Elements of the funded developmental capabilities are not expected to be progressed into the platform due to prioritising other capabilities.</p>
 <p>0%</p>	<p>Red: N/A</p>
Note	
<p>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.</p>	

4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
In Service Date (ISD)	<ul style="list-style-type: none"> 1 x Main Operating Base Mission Control Systems (MOB MCS) Secondary MST installed and ready for use at Edinburgh. 1 x Trailer Forward Operating Base MCS installed and ready for limited use at Tindal. 1 x Mission Avionics System Trainer installed and ready for use at Edinburgh. 1 x MOB MCS Primary installed and ready for limited use at Edinburgh. 1 x MQ-4C Triton AV delivered to Tindal. Establishment of ISSC arrangements. 4 x US trained crews (to include Operational Test & Evaluation (OT&E) requirements) initial focus will be on Test & Evaluation (T&E) and tactics development. Sufficient Network Technicians to meet the planned rate of effort. Operational and Technical Publications. Initial logistics support systems and support arrangements in place. Sufficient spares, Ground Support Equipment and Support and Test Equipment to support the Rate of Effort. Facilities as required to enable commencement of flying operations. <p>Forecast dates for ISD are NFP.</p>	Not yet Achieved
Initial Materiel Release (IMR)	<p>In addition to ISD deliveries:</p> <ul style="list-style-type: none"> 2 x MQ-4C Triton AV delivered to Tindal. 3 x US trained crews (to include 292 Squadron (SQN) Instructor requirement). 1 x MOB MCS Secondary MST installed and ready for limited use at Edinburgh. 1 x MOB MCS Primary installed and ready for limited use at Edinburgh. 1 x Remote Quick Look (RQL) installed and ready for limited use at the interim Tindal facility (2 SQN Hangar) (RQL#1) 1 x RQL installed and ready for limited use at Edinburgh Triton Control Centre (RQL#2). 1 x RQL delivered to Tindal for storage (RQL#3). <p>Forecast dates for IMR are NFP.</p>	Not yet Achieved

Initial Operational Capability (IOC)	In addition to IMR deliveries: <ul style="list-style-type: none"> Establishing Wing, SQN Headquarters and sustainment management organisation including associated administrative and support staff. 1 x line crew trained in Australia. Initial Training and Standardisation staff. Completion of T&E for Task 3 (Maritime Surveillance), issues identified and changes implemented or an agreed way forward. Achievement of sufficient airworthiness requirements to support the scope of intended operations up to FOC. Accredited operating facilities sufficient to support squadron activities and operation of one orbit. Forecast dates for IOC are NFP.	Not yet Achieved
Final Materiel Release (FMR)	<ul style="list-style-type: none"> All MQ-4C Triton aircraft delivered to Tindal. All MOB and FOB MCS installed and ready for use. All MST installed at Edinburgh and ready for individual and collective training. All 10 crews trained. All Triton sensors fully operational with back-end access to all databases and systems required for pre-flight, in mission or post flight operations available for use. This includes access to foreign databases and systems that are required for wider Intel dissemination for in flight or post flight additional capability. Full Distributed Operator functionality enabled and ready for use. Through life support arrangements are in place. Forecast dates for FMR are NFP.	Not yet Achieved
Final Operational Capability (FOC)	In addition to FMR deliveries: <ul style="list-style-type: none"> Training and Standardisation crews. All synthetic training devices for personnel training are operational, certified, and transitional training complete. Completion of T&E for all roles, issues identified and changes implemented or an agreed way forward. Establishment of all sustainment support arrangements to support the scope of intended operations. Achievement of all airworthiness requirements to support the scope of intended operations. Accredited permanent main operating base facilities at Edinburgh. Accredited forward operating base facilities at Tindal. 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
1	Single Information Environment (SIE) Integration. There is a risk that the current network infrastructure, combined with the level of development required to integrate the Triton system into the Defence SIE, will require design and certification effort that may not be achievable by the capability milestone dates.	<p>Defence Digital Group - Military Platform Integration (DDG-MPI) has developed a phased approach to SIE integration in line with capability milestones. This includes reliance on, and support of, other network infrastructure projects.</p> <p>The project and DDG-MPI continue to leverage the USN Cooperative Program to source required technical data, subject matter expert advice and lessons learned from the USN network integration experience.</p> <p>Control and responsibility of the delivery of SIE allocated to DDG-MPI allowing effective control of the relevant deliverables.</p>
2	Immature data to adequately quantify interim Sustainment Costs. There is a risk that the planned sustainment budget may be affected by insufficient data maturity leading to an impact on achieving Air Force support requirements and overall program affordability.	The project continues to work closely with the USN, Northrop Grumman Corporation and the Surveillance and Response System Program Office to identify sustainment cost drivers, investigate opportunities for sustainment efficiencies, validate logistics modelling assumptions, and implement lessons learned from other USN-sourced systems. Sustainment data will continue to mature as the

		<p>USN Triton operational tempo increases. The project, together with Northrop Grumman Australia, developed an affordable 'ISSC' for Australian-based support.</p> <p>This risk has been re-scoped to cover the Interim Sustainment Period only which is the responsibility for the Acquisition Project.</p> <p>The risk has been downgraded to a Medium risk.</p>
--	--	--

5.2 Emergent Risks

Emergent Risks (risk not previously identified but has emerged during 2023–24)		
Ref#	Description	Remedial Action
1	Support System Readiness. There is a risk that the Support System will not be ready to support Air Force operating requirements post Air worthiness Board, leading to an impact on Capability Outcomes and Schedule.	This risk emerged through Workshops and increased understanding of the Support System requirements and potential shortfalls to support requirements under MAA milestones. The Project is working closely with industry and USN to reduce this risk.
2	Limited Test and Evaluation Data to inform IOC. There is a risk that the ability to declare IOC will be affected by limited T&E data leading to an impact on capability outcomes schedule and reputation.	This risk emerged through Workshops and increased understanding of the OT&E requirements and potential shortfalls in availability of T&E data to support requirements under MAA milestones. The T&E strategy has a dependency on outcomes from USN OT&E testing and the Project is liaising closely with USN to gain access to that data. The team is working closely with Defence stakeholders on the planning of the T&E conduct. Potential opportunities to incorporate AU specific test serials into the USN test program to obtain efficiencies are being explored.
3	ICT Assessment and Authorisation. There is a risk that the Triton capability will not meet the necessary ICT Assessment & Authorisation requirements, leading to an impact on Schedule and Capability Outcomes.	The project has developed a phased approach to reduce this risk. Key challenges evolve around the engagement with various government agencies to ensure that the necessary authorisations are obtained to utilise critical ICT infrastructure to enable use of the Triton capability.
4	Spares Availability. There is a risk that the spares available at the retail and wholesale levels at ISD for AV configured in IFC-4.0 will be inadequate to support Initial OT&E and sustainment leading to an impact on Capability Outcomes and Schedule.	This risk has been upgraded since the last Major Projects Report MPR due to increased understanding of the spares situation. Triton operations could be affected by the availability of spares. The Project is liaising closely with USN to reduce this risk.

5.3 Major Project Issues

Ref#	Description	Remedial Action
N/A	N/A	N/A

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

Section 6 – Lessons Learned

6.1 Key Lessons Learned

Description	Categories of Systemic Lessons
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. Inclusion of resourced schedules for external organisations. Accurate resourced schedules of external organisations that are responsible for program deliverables should be integrated into the project Integrated Master Schedule (IMS) in sufficient detail to track progress against each deliverable. This should be incorporated into the IMS at the early stages of the project and managed throughout the duration of the project.	Program, Project & Product Management
DLR Lesson Type – Observation. Developmental programs. The resourcing and engagement required to support developmental programs with partner nations is significantly higher than traditional acquisition programs that procure mature platforms. Additionally, regular engagement is required to ensure all stakeholders are aligned on the status of the program.	Program, Project & Product Management

Project Data Summary Sheets

Auditor-General Report No.20 2024–25
2023–24 Major Projects Report

DLR Lesson Type – Observation. External agency engagement. When establishing a complex project that has interfaces with external agencies who provide a Fundamental Inputs to Capability (FIC), the project should ensure that clear deliverables and lines of communication for each FIC organisation is established. To enable an adequate level of oversight, a dedicated FIC coordination role should be considered for future complex development projects.	Program, Project & Product Management
--	---------------------------------------

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2024

Unit	Name
Division	Aerospace Systems
Branch	Aerospace Surveillance and Response