Project Data Summary Sheet[149]

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	$2,067.8m (Tranche 4)
Total Approved Budget (Current)	$1,999.5m
2021-22 Budget	$269.7m
Complexity	ACAT II

Section 1 – Project Summary

1.1 Project Description

AIR7000 Ph1B will acquire up to six MQ-4C Triton aircraft and support systems through a Cooperative Program with the United States Navy (USN). The 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. Second Pass approval for the acquisition of three MQ-4C Triton aircraft and associated support systems was provided through a series of tranche approvals from 2018 through 2020. Acquisition of further three aircraft and associated support is subject to future Government approvals.

1.2 Current Status

Cost Performance

In-year

The project spent $251.5m against an in-year budget of $269.7m. The variance of ($18.2m), (6.7%), is due to delays in USN contracting activity; however, this will not impact the delivery of Australian systems.

Project Financial Assurance Statement

As at 30 June 2022, project AIR7000 Phase 1B has reviewed the approved scope and budget for those elements required to be delivered by the project. Having reviewed the current financial and contractual obligations of the project, current known risks and estimated future expenditure, Defence considers, as at the reporting date, there is sufficient budget remaining for the project to complete against the agreed scope.

Contingency Statement

The project has not applied contingency in the current financial year.

Schedule Performance

The project was declared a Project of Interest (POI) in March 2020 due to the United States Navy (USN) announcing a two year production funding pause, in February 2020, for its Triton program (US Fiscal Years 2021 and 2022). The United States (US) budget decisions have delayed some aspects of the Triton program for the US but Defence has always planned for Triton to enter into service later than the USN allowing time for unforeseen schedule delays such as this Budget decision. Production funding has now been lifted and US has confirmed its funding commitment to Triton program. The situation has significantly improved in the last two years and in the near future, the project will be considered for removal from the POI list.

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).

The acquisition of the first three air vehicles has been approved to meet planned In Service Date (ISD) of FY 24/25 and Initial Operating Capability (IOC) date of FY25/26. The acquisition of additional aircraft to meet FOC requirements will be considered by Government in 2023.

Defence is currently on track to achieve the revised IOC of 2025-26, albeit with increasing schedule risk. The flow-on effect of a one year delay was detailed in the May 2020 CABSUB and accepted by Government.

Due to the uncertainty surrounding the future of the Triton production line, Defence was unable to proceed to the Public Works Committee (PWC) in Mar 2020 to commence construction of the planned facilities. Schedule risk remains until PWC approval has been obtained through Security and Estate Group (SEG) proposed for Q4 2022.

149 Notice to reader

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.

Materiel Capability/Scope Delivery Performance
The project is expected to achieve the current approved capability scope of three air vehicles and systems, and is expected to meet the full capability of six air vehicles pending future Government decisions.
The USNs delivery of Incremental Functional Capability (IFC 4.0) has been split into 2 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 Multi-Int platform including a Sense and Avoid functionality.

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

In July 2006, the Government agreed to participate with the US Navy (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 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 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 (CP) with the USN.

The Government reaffirmed the need for Triton in the 2016 Defence White Paper stating that up to seven Triton will be acquired – six are planned in AIR7000 Phase 1B, with acquisition of one additional aircraft planned in a later phase if needed.

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

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 2021-22). US Congressional approved budget reduced the impact of the proposed budget cuts, however uncertainty in the US Program delayed the decision to proceed with the facilities program for AIR7000 Phase 1B. As a result, facilities for the forward operating base will not be completed on time to support the arrival of the first air vehicle and an interim solution has since been developed. During 2020, Government approved a third air vehicle (Tranche 3) and interim support services for the initial seven years of operations (Tranche 4).

The project will update the MAA by Q3 2022 to align FOC dates with those approved by Government in 2020. In November of 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.

Uniqueness
The MQ-4C Triton is the largest Remotely Piloted Aircraft System (RPAS) to be operated by the RAAF. It is a High Altitude Long Endurance 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 will not be available until FY22/23. The Australian engineering, verification and validation and acceptance planning will remain in development while the USN completes their developmental activities.

Acquiring Triton through a CP enables Defence to gain insights on design and development that reduces risks associated with transition into service and promotes interoperability with our major security partner. The RAAF MQ-4C RPAS will be identical to the USN MQ-4C RPAS, 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 Uncrewed 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 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) ICT Integration
- Triton Operating Permit Process
- Immature data to adequately quantify Sustainment Costs
- Facilities Design, Schedule and Construction Costs
- Initial System Qualification
- Facilities are incomplete to achieve Interim Operating Capability

Emergent Risks
- N/A

Other Current Related Projects/Phases
AIR7000 Phase 2 – Maritime Patrol and Response Aircraft System: 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 Performance

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	$m		Notes
	Project Budget			
July 06	Original Approved	3.9		1
Aug 09	Real Variation – Real Cost Decrease	(1.3)		2
Feb 14	Government Intermediate Consideration	18.4		3
Mar 16	Government Interim Consideration	1.5		4
Jun 18	Government Second Pass Approval – Tranche 1	901.1		5
Jun 18	Real Variation – Transfer	1.0		6
Apr 19	Real Variation – Transfer	0.7		6
Jul 19	Government Second Pass Approval – Tranche 2	320.8		7
Jun 20	Real Variation – Real Cost Decrease	(2.2)		8
Jul 20	Government Second Pass Approval – Tranche 3	626.1		7
Mar 21	Government Second Pass Approval – Tranche 4	197.8		9
	Total at Second Pass Approval		**2,067.8**	
Sep 21	Real Variation – Budgetary Adjustment	17.7		10
Jul 10	Price indexation	0.2		11
Jun 22	Exchange Variation	(86.3)		
Jun 22	**Total Budget**		**1,999.5**	12
	Project Expenditure			
Prior to Jul 21	Triton Prime Contract	(145.8)		
	DPS MoU	(126.3)		
	Sense and Avoid Capability	(63.5)		
	Diminishing Manufacturing Source Items	(13.4)		
	USN Production Engineering and Logistics Support	(5.3)		
	Other Contract Payments / Internal Expenses	(54.6)		12
			(408.8)	
FY to Jun 22	Triton Prime Contracts	(153.6)		
	DPS MoU	(55.1)		
	USN Production Engineering and Logistics Support	(14.6)		
	Diminishing Manufacturing Source Items	(1.6)		
	Other Contract Payments / Internal Expenses	(26.7)		13
			(251.5)	
Jun 22	**Total Expenditure**		**(660.3)**	
Jun 22	**Remaining Budget**		**1,339.2**	

Notes	
1	Government First Pass Approval to initiate the Project and enter a Project Agreement with USN for development of a broad area maritime surveillance (BAMS) capability.
2	Government decision to defer the project, excess funds returned to Government after the completion of First Pass approved scope.
3	Government Intermediate Pass Approval, to continue development of a single capability option for Phase 1B and establishment of a Foreign Military Sales Technical Services Case.
4	Government Interim Pass, to continue project development of submission, including negotiation of a Cooperative Program Memorandum of Understanding, for Second Pass approval.
5	Government Second Pass Approval Tranche 1 Funding. Tranche 1 approval to fund 1 aircraft, 3 Main Operating Base Mission Control Systems, 2 Forward Operating Base Mission Control Systems and associated support systems and spares.
6	Funding transfers from Defence Science and Technology Group (DSTG) to CASG.
7	Government Second Pass Approval Tranche 2 and 3 to fund a total of two additional aircraft and associated support systems.
8	Force Structure Plan (FSP) amendment in June 2020.
9	Tranche 4 approved initial sustainment funding for the first 7 years.
10	AFHQ budgetary adjustment made to allow for greater flexibility for reprogramming and reduce pressure on the Air Force operating budget.
11	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 First Pass.
12	Other contract payments/internal expenses to 30 June 2021 were comprised of Major Service Provider Expenses $19.1m, Pre-2nd pass approval expenses $13.7m, Other Cooperative Program Expenses to United State of Navy $8.5m, NITE of $6.7m and Project Management Expenses $6.6m.
13	Other contract payments/internal expenses to 30 June 2022 were comprised of Major Service Provider Expenses $9.1m, Other Cooperative Program Expenses to United State of Navy $9.0m, NITE of $3.5m, and Other Project Management Expenses $5.1m.

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	Estimate Final Plan $m	Explanation of Material Movements
319.8	272.6	269.7	PBS – PAES: The variation is due to changes in the United States Navy spares delivery schedule and foreign exchange updates. PAES – Final Plan: The variance is due to foreign currency exchange adjustments.
Variance $m	(47.2)	(2.9)	Total Variance ($m): (49.1)
Variance %	(14.8)	(1.1)	Total Variance (%): (15.3)

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan $m	Actual $m	Variance $m	Variance Factor	Explanation
			Australian Industry	The project spent $251.5m against an in-year budget of $269.7m. The variance of ($18.2m), (6.7%) is due delays in USN contracting activity; however, this will not impact the delivery of Australian systems.
			Foreign Industry	
			Early Processes	
			Defence Processes	
		(18.2)	Foreign Government Negotiations/Payments	
			Cost Saving	
			Effort in Support of Operations	
			Additional Government Approvals	
269.7	251.5	(18.2)	**Total Variance**	
		(6.7)	**% Variance**	

2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at Signature $m	Price at 30 Jun 22 $m	Type (Price Basis)	Form of Contract	Notes
US Government (DPS MoU)	Jun 2018	200.0	207.1	Cost Ceiling (Capped)	MoU	1
US Government (Diminishing Manufacturing Source Items)	Nov 2018	0.5	21.1	Variable	MoU	2,3
US Government (Triton Prime Contracts)	May 2019	37.5	473.6	Variable	MoU	3,4
US Government (USN Production Engineering and Logistics Support)	May 2019	0.7	55.4	Variable	MoU	3,5
US Government (PA-1 Sense and Avoid Capability)	May 2019	61.3	63.5	Cost Ceiling (Capped)	MoU	1,6

Notes

1	DPS MoU and Project Arrangement 1 (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	Diminishing Manufacturing Source (DMS) Items is a US Government managed program to address availability and obsolesce 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 2022 is based on actual expenditure to 30 June 2022 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 Air Vehicles, one Main Operating Base (MOB) Mission Control System (MCS) and one Forward Operating Base (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 Sense and Avoid Capability has fully expended all funding to the US Government.

Contractor	Contracted Quantities as at Signature	Contracted Quantities as at 30 Jun 22	Scope	Notes
US Government (DPS MoU)	N/A	N/A	Australia's contribution to shared costs from 2017-18 to 2027-28 includes contribution to development, production and sustainment for common efforts, and project overhead and administration costs.	1
US Government (Diminishing Manufacturing Source 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 LRIP5 aircraft and ground system long-lead components. Australian elements of the awarded contract include three Air Vehicles, one Main Operating Base (MOB) Mission Control System (MCS) and one Forward Operating Base (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 2018-19 to 2023-24 for the development of the Sense and Avoid capability (including weather radar) to enable greater access to airspace and environmental conditions.	

Major equipment accepted and quantities to 30 Jun 22
Nil.

Notes	
1	No equipment delivered as part of this MOU and PA.
2	DMS supplies and non-recurring engineering will be incorporated into production aircraft and systems before delivery.

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 OT&E	N/A	N/A	N/A	N/A	1
	IFC-4.0 Increment 1 Operational Assessment to Support IOC	Jun 23	N/A	Aug 23	2	2
	IFC-4.0 Increment 2 Operational Assessment to Support IOC	Sep 28	N/A	Sep 28	0	3
Acceptance	Delivery to Edinburgh of Main Operating Base (MOB) Mission Control System #1 (MOB MCS#1)	Oct - Dec 21	Mar 22	Nov 23	25	1,5
	Commencement of crew training with the USN.	Jul - Sep 22	N/A	Nov 22	4	6
	Issue of Airworthiness Instrument (Unmanned Aircraft System Operating Permit).	Mar - May 23	N/A	Nov 24	20	
	Delivery of sixth and final MQ-4C Air Vehicle (AV) [Subject to Government Approval of AV 4-6 and sequencing with USN].	TBA	TBA	TBA	N/A	7

Notes	
1	This was a USN and Northrop Grumman Systems Engineering milestone, originally forecast for August 2021, for the Incremental Functional Capability (IFC 4.0), the baseline configuration for the ADF. IFC 4.0 has now been split into 2 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.
3	Increment 2 funding has been approved by the US Government and will deliver upgraded capabilities along with a Sense and Avoid functionality to meet the requirements of PA-1.
5	One year delay from original schedule due to production funding pause announcement preventing Public Works Committee referral in March 2020. Facilities design was paused until Government approval in May 2020. The change in basing for aircraft from Edinburgh to Tindal resulted in a redesign which has also contributed to the amendment of dates, however the MCS will still be delivered to Edinburgh. Despite the forecast variance, IOC is still achievable as currently planned/ forecast.
6	Training needs analysis in consultation with the US has revealed a change to the training requirements and hence the schedule amendment.
7	Maritime Patrol and Response submission for Government approval is being staffed. Subject to Government approval, project milestone definitions and the project schedule will be re-baselined through an MAA update.

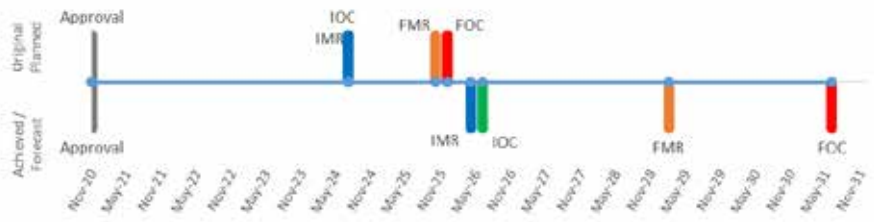
3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
In-Service Date (ISD)	Jul 23	Jul 24 – Jun 25	23	1,3
Initial Materiel Release (IMR)	May – Jul 24	May 25 – Apr 26	23	1,3
Initial Operational Capability (IOC)	Jul 24	Jul 25 – Jun 26	23	1
Final Materiel Release (FMR)	Aug – Oct 25	Aug 28 – Feb 29	41	2
Final Operational Capability (FOC)	Dec 25	Jul 30 – Jun 31	66	2

Notes	
1	In Second Pass (Tranche 3) Government Approval, 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.
2	As at November 2020, FOC has changed to align with the Tranche 4 approval. An incremental approach to acquisition has

	extended the timeline for FOC incurring a four-year delay. Delay to FOC is due to the USN prioritising other capabilities during the production pause over Sense and Avoid Capability that supports Australian Triton realising its FOC.
3	Schedule baselining analysis identified additional activities and dependencies leading to the differing variance.

Schedule Status at 30 June 2022



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

Section 4 – Materiel Capability/Scope Delivery Performance

4.1 Measures of Materiel Capability/Scope Delivery Performance

Traffic Light Diagram: Percentage Breakdown of Materiel Capability/Scope Delivery Performance	
	**Green:** The project expects to meet the current capability requirements as expressed in the Materiel Acquisition Agreement, noting that the full capability is yet to be approved by Government.
	**Amber:**
	**Red:**
Note	
This Traffic Light Diagram represents Defence's expected capability delivery. Capability assessments and forecast dates are excluded from the scope of the Auditor-General's Independent Assurance Report.	

4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Initial Materiel Release (IMR)	• 2 x Triton Air Vehicles delivered to Australia. • 2 x Main Operating Base Mission Control Systems including a Secondary site incorporating a Mission System Trainer installed and ready for use at Edinburgh. • 1 x Forward Operating Base Mission Control System installed and ready for use at Tindal. • Initial Distributed Operator functionality enabled and ready for use. • Initial US trained crew (initial focus will be on Test & Evaluation and tactics development). • Sufficient Network Technicians to meet the planned rate of effort. • Facilities as required to enable commencement of flying operations. • Support systems, equipment and spares as required. IMR is forecast to be achieved May 2025 – April 2026.	Not yet achieved
Initial Operational Capability (IOC)	The Triton system is able to safely sustain one orbit in a maritime surveillance role, at a rate of effort to support initial operations. IOC is forecast to be achieved in July 2025 – June 2026.	Not yet achieved
Final Materiel Release (FMR)	• All Triton Air Vehicles delivered to Australia. • All Main Operating Base and Forward Operating Base Mission Control Systems installed and ready for use. • 1 x Forward Operating Base configured for expeditionary use.	Not yet achieved

	• All Mission System Trainers installed at Edinburgh and ready for individual and collective training. • All crews trained. • Full complement of Network Technicians trained and available to meet the planned rate of effort. • All support systems, equipment and spares. FMR is forecast to be achieved August 2028 – February 2029.	
Final Operational Capability (FOC)	The Triton system is able to safely and effectively conduct two orbits, in all roles, at a rate of effort in accordance with strategic and capability guidance. FOC is forecast to be achieved in July 2030 – June 2031.	Not yet achieved

Section 5 – Major Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
Single Information Environment (SIE) Integration There is a chance 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.	Chief Information Officer Group - Military Platform Integration (CIOG-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. The project and CIOG-MPI continue to leverage the Cooperative Program to source required technical data, subject matter expert advice and lessons learned from the USN network integration experience. Control and responsibility of the delivery of SIE allocated to CIOG-MPI allowing effective control of the relevant deliverables with clear articulation of responsibilities under a Memorandum of Understanding between CIOG-MPI and Australian Signals Directorate (ASD).
Triton Operating Permit process There is a chance that the complexity and novelty of a large Remotely Piloted Aircraft System may lead to delays in the issue of an Operating Permit and achievement of dependent capability milestones.	The project established a Triton UAS Operating Permit Working Group to undertake deliberate tailoring activities and facilitate engagement with the Defence Aviation Safety Authority and other stakeholders to ensure an integrated approach to technical and operational considerations, and an Operating Permit process that is aligned with Defence Aviation Safety Regulations.
Immature data to adequately quantify Sustainment Costs There is a chance 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 USN Triton operational tempo increases. The project is also working with Northrop Grumman Australia to develop an affordable 'Interim Support Services Contract' for Australian based support.
Initial system qualification Australian Triton aircraft will initially be delivered with some systems requiring further qualification to allow operation in all airspace and environmental conditions. There is a chance that the qualification and retrofitting of these systems may result in a delay to FOC.	The project is working with the USN to plan for an 'Alternate Means of Compliance' program to support initial operations in some airspace and environmental conditions. The Commonwealth has entered into Project Arrangement 1 (PA-1) for the development of a Sense and Avoid capability. The Cooperative Program includes activities to address flight in icing conditions. It is expected that moderate icing certification will be achieved prior to Australian operations, enabling Triton operations in moderate icing conditions. Extreme icing conditions will be risk managed as agreed in the UASOP.
Facilities Design and Construction Costs There is a chance that facilities design and construction management costs will affect the affordability of Triton facilities.	Security and Estate Group is engaging design and construction contractors to facilitate Public Works Committee expediency. Construction is to be commenced as soon as possible to reduce the risk of in-year cost escalation through materials and labour cost increases.
Facilities Schedule to Achieve Initial Operational Capability Facilities schedule currently on the critical path. A number of issues including a pause to the facilities program due to US Triton program uncertainties and a change of operational concept have contributed to the current position.	Capital Facilities and Infrastructure (CFI) Branch is invoking early works utilising funding transferred to AIR555 for shared works at EDN. Tindal design contractor has now been appointed and has commenced work. CFI Branch working towards Public Works Committee referral and expediency as early as possible post-delivery of Tindal 30% design expected Q3 2022.

Emergent Risks (risk not previously identified but has emerged during 2021–22)	
Description	Remedial Action
N/A	N/A

5.2 Major Project Issues

Description	Remedial Action
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
N/A	N/A

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2022

Unit	Name
Division	Aerospace Systems
Branch	Aerospace Surveillance and Response