

## Project Data Summary Sheet

Project Number	SEA3036 Phase 1
Project Name	PACIFIC PATROL BOAT REPLACEMENT
First Year Reported in the MPR	2017-18
Capability Type	Replacement
Capability Manager	Chief of Navy
Government 1st Pass Approval	Apr 16
Government 2nd Pass Approval	Apr 16
Budget at 2nd Pass Approval	\$504.5m
Total Approved Budget (Current)	\$568.5m
2024–25 In-year Budget	\$58.2m
Complexity	ACAT II



### Section 1 – Project Summary

#### 1.1 Project Description

SEA3036 Phase 1 – Pacific Patrol Boat Replacement (PPB-R) is acquiring 24 vessels to replace the 22 Pacific Patrol Boats (PPBs) gifted to 12 Pacific Island countries between 1987 and 1997 as part of Australia's Pacific Maritime Security Program (PMSP), and to provide one boat for the Republic of Maldives (Maldives).

The project also includes disposal of the current PPB fleet and upgrades to Pacific Island infrastructure to enable safe berthing of the new Guardian Class Patrol Boats (GCPBs).

#### 1.2 Current Status

##### Cost Performance

###### In-year

As at 30 June 2025, Financial Year (FY) 2024-25 expenditure was \$32.9m against the FY 2024-25 budget of \$58.2m. The variance is mainly due to a reduction in requirements for fixed gas detection work due to delayed in service vessel availability to conduct installation activities and works in progress on the new additional Boats 23 and 24, which were added to the acquisition contract on 21 June 2024. The budget for these additional boats is now phased into the SEA3036 Phase 1 project budget.

###### Project Financial Assurance Statement

As at 30 June 2025, project SEA3036 Phase 1 has reviewed the project's 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.

###### Contingency Statement

The project has not applied for contingency in FY 2024-25. The project has utilised a portion of the contingency funding applied for in FY 2022-23, primarily for engineering modifications to provide additional barriers and controls which has reduced and treated a potential risk to health and safety from hydrogen sulphide gas that naturally occurs in the black and grey water systems of vessels. Long-term remediation will continue to be applied over the coming years to ensure the risk remains low.

##### Schedule Performance

The project is currently within the delivery phase. To date, 22 GCPB have been delivered to their respective recipient nations as follows:

- Vessel 1 to Papua New Guinea (PNG) in November 2018.
- Vessel 2 to Tuvalu in April 2019.
- Vessel 3 to Tonga in June 2019.
- Vessel 4 to Samoa in August 2019.
- Vessel 5 to Solomon Islands in November 2019.
- Vessel 6 to Fiji in March 2020.
- Vessel 7 to Palau in September 2020.
- Vessel 8 to Kiribati in June 2021.
- Vessel 9 to Tonga in October 2020.
- Vessel 10 to PNG in March 2021.
- Vessel 11 to Solomon Islands in May 2021.
- Vessel 12 to Vanuatu in July 2021.
- Vessel 13 to PNG in October 2021.
- Vessel 14 to Federated States of Micronesia (FSM) in March 2022.
- Vessel 15 to Cook Islands in May 2022.
- Vessel 16 to FSM in August 2023.
- Vessel 17 to PNG in October 2023.
- Vessel 18 to Samoa in November 2023.

<ul style="list-style-type: none"><li>• Vessel 19 to Fiji in February 2024.</li><li>• Vessel 20 to Fiji in November 2024.</li><li>• Vessel 21 to Kiribati in July 2024.</li><li>• Vessel 22 to Tuvalu in September 2024.</li></ul> <p>In addition, from 1 July 2024 the project has achieved the following Key Milestones on time:</p> <ul style="list-style-type: none"><li>• Vessel 23 Republic of Marshall Islands (RMI) keel laying achieved 31 July 2024.</li><li>• Vessel 20 (Fiji) relaunch achieved 14 October 2024.</li><li>• Vessel 24 (Maldives) keel laying achieved 12 November 2024.</li></ul> <p>Vessel 20 was ready for delivery to Timor-Leste in May 2024 but following Timor-Leste formally advising Defence that it was not in a position to receive the GCPB, the vessel was reassigned and delivered to Fiji as a replacement for Vessel 19 that ran aground and was damaged beyond economical repair in June 2024. Due to long lead times for critical equipment, the two vessels added to the contract in June 2024 are not currently scheduled for delivery this financial year. These vessels are scheduled for delivery in January 2026 and April 2026. Final Operational Capability (FOC) is now expected to be achieved in June 2026.</p> <p>To date the prime contractor key milestones have been met in alignment with the contract schedule, with the exceptions to this being:</p> <ul style="list-style-type: none"><li>• Delivery of the first vessel was approximately five weeks later than contracted as a result of delays in establishing a steel production facility, vessel production activities and the resolution of first of class issues. This delay incurred a corresponding delay to achievement of Initial Materiel Release (IMR)/Initial Operational Capability (IOC) which was achieved on 30 November 2018.</li><li>• Delivery of five vessels was delayed by COVID-19 impacts, however, these did not impact the overall project timeline with Boats 6-9 delivered seven months late but Boats 10-13 delivered on time.</li><li>• Delivery of six vessels was delayed due to rectification of a latent defect and engineering modifications for the installation and commissioning of a fixed gas detection system, both of which provided improved safety assurances for the crew. Boats 14-18 were delayed by 11 months, and vessels 19-21 were delayed by nine months due to this issue. These issues did not impact the negotiated delivery dates of Boats 22-24.</li><li>• Delivery of Boat 20 was delayed by six months, as Timor-Leste advised Defence it was not in a position to receive the GCPB at the scheduled date.</li></ul> <p>Aspects of the project involving Pacific Island Country Infrastructure upgrades, which were originally anticipated to be minor, have been completed with the Defence Cooperation Program Infrastructure Project completing an enhanced scope of major upgrades to ensure the vessels can be supported after delivery.</p> <p>Disposal of the existing PPBs is progressing in alignment with project needs.</p> <p><b>Materiel Capability/Scope Delivery Performance</b></p> <p>The first 22 of 24 GCPB have been delivered to their recipient nations. COVID-19 caused delay to delivery of vessels to Cook Islands, FSM, Kiribati, Palau, and PNG.</p> <p>The emergence of a latent defect and directive to deliver more robust safety monitoring systems delayed the delivery of Vessels 16 to 21.</p> <p>The delivery of Vessel 20 was delayed as Timor-Leste advised Defence it was not in a position to receive the GCPB. Vessel 20 was delivered to Fiji as a replacement for vessel 19 that ran aground and was damaged beyond economical repair in June 2024.</p> <p>Delays have been absorbed within the overall project delivery schedule.</p> <p>The scope has been increased from 22 to 24 GCPB via contract change during June 2024.</p>
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1.3 Project Context

<p><b>Background</b></p> <p>SEA3036 Phase 1, PPB-R Project was initiated in 2014 under the auspices of PMSP to replace the 22 PPBs that were gifted to 12 Pacific Island Countries between 1987 and 1997 with GCPB.</p> <p>The 12 PPB nations are Cook Islands, FSM, Fiji, Kiribati, Palau, PNG, RMI, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Timor-Leste have also been offered and, in December 2017, accepted the offer to receive two GCPB although were not originally part of the PPB program.</p> <p>A Request for Tender was released in March 2015 for up to 21 vessels no longer than 40 metres, built to a commercial standard with a steel hull. The tender also included a support contract for an initial period of seven years. The tender closed in June 2015, evaluations were completed in September 2015 with an Offer Definition and Improvement Activity concluded in January 2016. Austal Ships Pty Ltd was the preferred tenderer.</p> <p>Combined Pass Project Approval was achieved in April 2016. Both the acquisition and support contracts were signed with Austal Ships Pty Ltd in May 2016. The initial acquisition contract was for 19 vessels with a costed option for an additional two vessels. In April 2018, the project exercised the costed option for two additional vessels for Timor-Leste.</p> <p>Construction of the first vessel commenced in April 2017 with acceptance by the Commonwealth of Australia (CoA) (combined IMR and IOC) in November 2018. The last vessel is currently anticipated to be accepted by the CoA in April 2026.</p> <p>Due to a delay in the acceptance and handover of the first boat of approximately five weeks, caused by the establishment of a dedicated steel production facility and resolution of first-of-class issues, Liquidated Damages have been accrued. Agreement has also been reached on provision of goods and services in kind to the CoA in alignment with the value of Liquidated Damages accrued.</p> <p>In August 2021, the vessel that was gifted to Samoa in August 2019 ran aground on a reef and its replacement, Boat 22, was added to the acquisition contract via a contract change in November 2022.</p>
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<p>In March 2023, the vessels given to Tuvalu and Vanuatu were damaged in a cyclone. Vanuatu's vessel has been repaired but after considering costs and risks, it was not economically viable to repair Tuvalu's vessel. The Project received approval in December 2023 to add to the contract a replacement vessel for Tuvalu along with a second vessel for Kiribati. The Project commenced negotiation with Austal Ships Pty Ltd for two additional vessels via a contract change which was approved in June 2024.</p> <p>On 8 April 2024, Timor-Leste advised the Australian Government that it was not in a position to receive a GCPB. Vessel 20 was then assigned to Fiji as a replacement for vessel 19 that ran aground in June 2024 and was damaged beyond economical repair.</p> <p>On 13 March 2025, Vessel 23 was assigned to the RMI. RMI's current PPB, Republic of Marshall Islands Ship (RMIS) <i>Lomor</i> is due to arrive in Brisbane for Disposal in October 2025. Vessel 23 is due for Acceptance in January 2026.</p> <p>On 2 June 2025, following a request to the Australian Government from the Maldives for a GCPB, the Prime Minister provided authority to amend the scope of the SEA3036 Phase 1 Project, to gift a GCPB to the Maldives outside of the PMSP. The Deputy Prime Minister subsequently announced the gifting of previously unallocated Vessel 24 to the Maldives via a joint press release. This vessel is due for Acceptance in April 2026.</p> <p>The project is scoped and funded to complete minor infrastructure upgrades to existing infrastructure, enabling safe and secure berthing of the new, slightly larger, vessels. Responsibility for execution of the infrastructure upgrades was officially transferred from the project to Defence International Policy Division in September 2019, and later transferred to Pacific Division upon its creation in July 2023. The infrastructure upgrades within the original scope of SEA3036 Phase 1 have been completed and after a comprehensive investigation of Pacific infrastructure, the PMSP infrastructure project is carrying out a significantly more complex infrastructure upgrade for each of the PMSP nations receiving a GCPB.</p>			
<b>Uniqueness</b>			
<p>The GCPB is a vessel being built to commercial standards that will be gifted to 12 Pacific Island nations and the Maldives. The vessels are being built to International Maritime Organisation requirements, under the Australian Maritime Safety Authority flag. Lloyds Register is the classification society and the vessels will meet class requirements. However, ultimately the GCPB will not be put into class. The project's Capability Manager is Chief of Navy with Pacific Division as the Sponsor of the PMSP. Once gifted, each vessel will become a sovereign asset of the recipient nations and Australia will assist and support their operation and sustainment, with arrangements for the Maldives yet to be determined.</p>			
<b>Major Risks, Emergent Risks and Issues</b>			
<p>The Project is currently not managing any High or Very High Risks, Emergent Risks or Issues.</p>			
<b>Other Current Related Projects/Phases</b>			
N/A			

## Section 2 – Financial Performance<sup>1</sup>

### 2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
<b>Project Budget</b>			
Aug 14	Original Approval (Initial Pass Approval)	5.7	1
Jan 15	Real Variation – Transfer	1.2	2
May 16	Government Combined Pass Approval	497.6	
	<b>Total at Second Pass Approval</b>	<b>504.5</b>	
Oct 23	Real Variation – Transfer	14.2	3
Dec 24	Real Variation – Transfer	51.3	7
Jun 25	Exchange Variation	(1.5)	
Jun 25	<b>Total Budget</b>	<b>568.5</b>	
<b>Project Expenditure</b>			
Prior to Jul 24	Contract Expenditure – Contractor - Austal Ships Pty Ltd	(360.8)	4, 5
	Other Contract Payments/Internal Expenses	(52.6)	
		(413.4)	
FY to Jun 25	Contract Expenditure – Austal Ships Pty Ltd	(43.5)	6
	Other Contract Payments/Internal Expenses	10.6	
		(32.9)	
Jun 25	<b>Total Expenditure</b>	<b>(446.3)</b>	
<b>Remaining Budget</b>			
Jun 25		<b>122.2</b>	

<sup>1</sup>Notice to reader

As per the JCPAA 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.

Notes	
1	This amount was for Initial Pass Project Approval.
2	Transfer of funding to Defence Materiel Organisation, now known as Capability Acquisition and Sustainment Group (CASG), to support Offer Definition Improvement Activity and Anthropometric Study. In the 2022-23 Major Projects Report (MPR) this figure was not included in the Total at Second Pass Approvals. This has now been reverted to the report provided in the 2021-22 MPR.
3	Transfer of funding to Naval Shipbuilding and Sustainment Group for acquisition of Vessel 22.
4	Other contract payments and expenditure comprises of, other project support contracted staff costs (\$24.5m), other direct project costs (\$16.4m), infrastructure costs (\$8.1m) and Pre Combined Pass expenditure (\$3.6m).
5	The project finances include a historical discrepancy due to the change from cash to accrual accounting, therefore the 2022-23 report incorrectly reported the prior to July 2022 contracted staff costs as (\$16.9m) rather than (\$17.7m).
6	Other contract payments and expenditure comprises of project support contracted staff costs of (\$2.1m) and other costs of \$12.7m due to the payment of accrued funds.
7	Transfer of funding to Naval Shipbuilding and Sustainment Group for acquisition of Vessel 23 and 24.

## 2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	In-year Budget \$m	Explanation of Material Movements
31.9	58.2	58.2	Portfolio Budget Statements (PBS) to Portfolio Additional Estimates Statements (PAES): Variation is due to reprogramming of the prime contract during Additional Estimates Budget Update. <u>PAES to In-year Budget:</u> Nil Variation.
Variance \$m	26.3	0.0	Total Variance (\$m): 26.3
Variance %	82.6	0.1	Total Variance (%) 82.7

## 2.2B In-year Budget/Expenditure Variance

In-year Budget \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
		(25.3)	Australian Industry	The variance is largely attributed to a reduction in requirement this FY for Flyaway and Fixed Gas Detection work due to delayed in service vessel availability to conduct installation activities. As well as payment for milestones achieved and paid in FY 2023-24 being incorrectly included in the FY 2024-25 Budget Estimates (BE) forecast calculation, accruals and over estimation of escalation and accruals included in the FY 2024-25 BE forecast calculation.
		-	Foreign Industry	
		-	Early Processes	
		-	Defence Processes	
		-	Foreign Government Negotiations/Payments	
		-	Cost Saving	
		-	Effort in Support of Operations	
58.2	32.9	-	Additional Government Approvals	
		(25.3)	Total Variance	
		(43.4)	% 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 25 \$m			
Austal Ships Pty Ltd	May 16	321.1	444.9	Fixed	Standard Defence Contract	1
Notes						
1	Contract Value as at 30 June 2025 is based on actual expenditure to 30 June 2025 and remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable).					

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 25		
Austal Ships Pty Ltd	19	24	PPB-R vessels, conversion training and associated support system products.	1
Major equipment accepted and quantities to 30 Jun 25				
4 x GCPB gifted to PNG. 2 x GCPB gifted to Tuvalu. 2 x GCPB gifted to Tonga. 2 x GCPB gifted to Samoa. 2 x GCPB gifted to Solomon Islands. 3 x GCPB gifted to Fiji. 1 x GCPB gifted to Palau. 2 x GCPB gifted to Kiribati. 1 x GCPB gifted to Vanuatu.				

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2 x GCPB gifted to Federated States of Micronesia. 1 x GCPB gifted to Cook Islands.	
<b>Notes</b>	
1	Two additional vessels were included into the scope of supply in April 2018 following acceptance in December 2017 by the Timor-Leste Government of the offer from the Australian Government to receive two boats. The vessel that was gifted to Samoa in August 2019 ran aground on a reef in August 2021 and its replacement was added to the project by contract change in November 2022. The Project has added two additional vessels by contract change in June 2024: one additional vessel for Kiribati and another to replace the Tuvalu vessel that was damaged in a cyclone in March 2023. On 8 April 2024, Timor-Leste advised that it was not in a position to receive a GCPB. Vessel 20 was then assigned to Fiji as a replacement for Vessel 19 that ran aground in June 2024 and was damaged beyond economical repair.

#### 2.4 Australian Industry Capability

<b>Summary</b>	
The project has contracted Australian Industry Capability (AIC) Plans based on opportunities to maximise competitive Australian industry involvement, where appropriate. Austal Ships Pty Ltd's AIC Plan identifies local industry activities which are captured in support of their design, manufacturing, project management, engineering, integrated logistic support and training activities.	
<b>Note</b>	
AIC Plans for contracts worth more than \$20 million are published on Defence's website.	

### Section 3 – Schedule Performance

#### 3.1 Design Review Progress

Review	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
System Requirement Conduct	Mission System	Aug 16	N/A	Aug 16	0	-
	Support System	N/A	Nov 16	Nov 16	0	1
Preliminary Designs Conduct	Mission System	Oct 16	N/A	Oct 16	0	-
	Support System	N/A	May 17	May 17	0	1
Detailed Design Conduct	Mission System	Feb 17	N/A	Feb 17	0	-
	Support System	N/A	Nov 17	Nov 17	0	1
<b>Notes</b>						
1	A contract change was executed in November 2016 to introduce the conduct of Support System Requirement Review, Support System Preliminary Design Review and Support System Detailed Design Review.					

#### 3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
Harbour Acceptance Trials (HAT) Complete	PPB-R Boat 1	Jul 18	N/A	Oct 18	3	1
	PPB-R Boat 2-5	Aug 19	N/A	Sep 19	1	-
	PPB-R Boat 6-9	Aug 20	N/A	Aug 20	0	-
	PPB-R Boat 10-13	Aug 21	N/A	Aug 21	0	-
	PPB-R Boat 14-18	Oct 22	N/A	Nov 23	13	7
	PPB-R Boat 19-21	Jul 23	N/A	Apr 24	9	7
	PPB-R Boat 22	Jul 24	N/A	Jul 24	0	-
	PPB-R Boat 23	Oct 25	Oct 25	Jan 26	3	9
Acceptance	PPB-R Boat 24	Feb 26	Feb 26	Apr 26	2	9
	PPB-R Boat 1	Oct 18	N/A	Nov 18	1	1, 2, 3
	PPB-R Boat 2-5	Nov 19	N/A	Nov 19	0	3
	PPB-R Boat 6-9	Nov 20	N/A	Jun 21	7	4
	PPB-R Boat 10-13	Oct 21	N/A	Oct 21	0	3
	PPB-R Boat 14-18	Dec 22	N/A	Nov 23	11	5
	PPB-R Boat 19-21	Oct 23	N/A	Nov 24	13	5, 8
	PPB-R Boat 22	Sep 24	N/A	Sep 24	0	6
	PPB-R Boat 23	Jan 26	Jan 26	Jan 26	0	9
	PPB-R Boat 24	Apr 26	Apr 26	Apr 26	0	-
<b>Notes</b>						
1	The variance of three months is primarily due to equipment supply chain delays and first-of-class issues with set-to-work activities.					
2	Testing of Vessel 1 includes operation-like test activities in advance of acceptance of Vessel 1.					


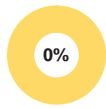

3	Acceptance marks the successful completion of all tests and crew conversion training. The CoA accepts the vessel from the contractor and then gifts the vessel to the receiving nation.
4	The variance of seven months is due to COVID-19 pandemic travel restrictions restricting the crew for Vessel 8 travelling to Australia to undertake conversion training and receive their vessel. The delay of 10 months to Vessel 8 was absorbed within the overall program schedule.
5	Acceptance of Vessels 16 to 21 was deferred due to the combined effect of incorporating additional safety equipment, which required a procurement lead time of approximately seven months and the rectification of a latent defect on the main engine exhaust silencers. While the silencer rectification was completed within this timeframe, both activities were managed concurrently as part of the delivery program. The greatest schedule impact was to Vessel 16, which was delayed by 13 months. This was subsequently mitigated through an accelerated delivery program that enabled Vessels 16-18 to be delivered within a 14-week period.
6	The delivery date of Vessels 22-24 was constrained by the lead-time for critical equipment delivery and was not impacted by any delays to previous vessels.
7	HAT are not a contracted milestone, however, the variation in contract milestones outlined in Note 5 has had an indirect impact on verification activities.
8	There is an additional delay to Vessels 19-21 as Timor-Leste has formally advised Defence it was not ready to accept Vessel 20 with the vessel then reassigned and gifted to Fiji as a replacement for Boat 19 that was grounded in June 2024 and deemed beyond economical repair.
9	To avoid the crew transiting home over the Christmas period after the completion of training, the Acceptance Dates were amended.

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes																		
Initial Materiel Release (IMR)	Oct 18	Nov 18	1	1, 2																		
Initial Operational Capability (IOC)	Oct 18	Nov 18	1	3																		
Final Materiel Release (FMR)	Nov 23	Apr 26	29	1, 2, 4																		
Final Operational Capability (FOC)	Sep 23	Jun 26	33	5																		
Notes																						
1	IMR and FMR dates were not scheduled at Combined Pass Government Approval.																					
2	IMR was achieved at acceptance of the first vessel by the CoA and handover to program partner nation.																					
3	IOC was achieved at acceptance of the first vessel and handover into operational service. This occurred simultaneously with IMR. The variance of one month is a result of delayed commencement of Sea Acceptance Trials and HAT for the first vessel, leading to a delay to delivery.																					
4	The new forecast date for FMR is the contracted delivery date of Vessel 24 and the date that the boat is expected to be delivered to the recipient Nation.																					
5	The new forecast date for FOC is the date at which it is expected that all boats will have completed final post-acceptance activities and be accepted into operational service by the recipient Nation.																					
<p><b>Schedule Status at 30 June 2025</b></p> <table><caption>Schedule Status Data</caption><tr><th>Milestone</th><th>Original Planned</th><th>Achieved / Forecast</th></tr><tr><td>Approval</td><td>Feb-16</td><td>Feb-16</td></tr><tr><td>IMR</td><td>Oct-18</td><td>Aug-18</td></tr><tr><td>IOC</td><td>Oct-18</td><td>Aug-18</td></tr><tr><td>FOC</td><td>Sep-23</td><td>Aug-26</td></tr><tr><td>FMR</td><td>Nov-23</td><td>Aug-26</td></tr></table>					Milestone	Original Planned	Achieved / Forecast	Approval	Feb-16	Feb-16	IMR	Oct-18	Aug-18	IOC	Oct-18	Aug-18	FOC	Sep-23	Aug-26	FMR	Nov-23	Aug-26
Milestone	Original Planned	Achieved / Forecast																				
Approval	Feb-16	Feb-16																				
IMR	Oct-18	Aug-18																				
IOC	Oct-18	Aug-18																				
FOC	Sep-23	Aug-26																				
FMR	Nov-23	Aug-26																				

## 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	
	<b>Green:</b> The project expects to meet the current capability requirements as expressed in the Materiel Acquisition Agreement. A permanent solution has now been completed on all in service vessels and is continuing to be incorporated on all remaining vessels prior to delivery.
	<b>Amber:</b> N/A
	<b>Red:</b> N/A
Note	
This Traffic Light Diagram represents Defence's expected capability delivery.	

### 4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Initial Materiel Release (IMR)	First vessel and associated support system technical documentation, initial spares and logistics documentation delivered and accepted by the CoA.  IMR was achieved on 30 November 2018.	Achieved
Initial Operational Capability (IOC)	First vessel accepted into the Pacific Island Country operational service.  IOC was achieved on 30 November 2018.	Achieved
Final Materiel Release (FMR)	Last vessel delivered, completed delivery of all remaining Acquisition Project Support deliverables and accepted by the CoA including completion of transition tasks in accordance with the PPB-R Transition Plan.  FMR is expected to be achieved in April 2026.	Not yet Achieved
Final Operational Capability (FOC)	All post-acceptance activities complete and vessels accepted into their Program Partner Country operational service.  FOC is expected to be achieved in June 2026.	Not yet Achieved

## Section 5 – Major Risks, Emergent Risks and Issues

### 5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)		
Ref#	Description	Remedial Action
N/A	N/A	N/A

### 5.2 Emergent Risks

Emergent Risks (risk not previously identified, or has increased in rating, which have emerged during 2024–25)		
Ref#	Description	Remedial Action
N/A	N/A	N/A

### 5.3 Major Project Issues

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

Section 6 – Lessons

6.1 Key Lessons

In line with Defence Instructions 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. The project has captured 22 lessons. The three lessons the project identified as strategic in nature, and the five project level lessons (non-strategic) are listed below.	
Strategic Lessons Description	Categories of Systemic Lessons
Strategic Lesson Type – Lesson identified. Allocate schedule allowance to enable ramp-up and learning of Defence requirements for contractors inexperienced with Defence contracting templates.	Program, Project & Product Management
Strategic Lesson Type – Insights. Use of review teams for assurance on contract development when tailoring Defence contracting templates.	Commercial Management
Strategic Lesson Type – Lesson identified. Work with contractor to ensure the broader implications of key milestone delay and quality issues are understood and encourage early advice on delay.	Commercial Management
Project Level Lessons (non-strategic) Description	Categories of Systemic Lessons
Project level lesson. Systems Engineering Discipline can help overcome weaknesses in engineering planning and management.	Engineering & Technical
Project level lesson. Deficiencies in level of detail at Detailed Design Review can be accepted only with appropriate engineering and contract management.	Engineering & Technical
Project level lesson. Build a good relationship with sustainment and Fundamental Inputs to Capability representatives to establish an effective transition feedback loop and risk management framework across major milestones and technological upgrades.	Program, Project & Product Management
Project level lesson. Ensure formal agreements are established early and reviewed regularly so that everyone knows their roles within a program and understands any changes in the program if requirements are varied.	Program, Project & Product Management
Project level lesson. A low-risk transition into service can result in insufficient attention to key project transition planning activities and decisions.	Program, Project & Product Management

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2025

Unit	Name
Division	Patrol Boats & Specialist Ships Division
Branch	Specialist Ships Acquisition Branch