Project Data Summary Sheet

Project Number	**LAND121 Phase 4**
Project Name	**PROTECTED MOBILITY VEHICLES LIGHT**
First Year Reported in the MPR	2016-17
Capability Type	Replacement
Capability Manager	Chief of Army
Government 1st Pass Approval	Oct 08
Government 2nd Pass Approval	Aug 15
Budget at 2nd Pass Approval	$1,944.9m
Total Approved Budget (Current)	$1,975.5m
2024–25 In-year Budget	$18.1m
Complexity	ACAT I

Section 1 – Project Summary

1.1 Project Description

LAND121 Phase 4 will acquire and deliver into service 1,098 Protected Mobility Vehicles – Light (PMV-L) and 1,058 companion trailers for command, liaison, reconnaissance and utility roles, and the associated training and support systems. The PMV-L will replace around one third of the Land Rover fleet and represents a brand new capability that will provide the Australian Defence Force (ADF) with a highly protected and deployable light vehicle fleet designed to provide an optimum balance of six fundamental requirements; survivability, mobility, usability, payload, sustainability and communications. The PMV-L fleet will consist of two variants which may perform specific mission roles:

- 4-Door PMV-L variant. The 4-Door vehicle may perform the following roles:
  - Command – Carriage of up to four personnel with additional integrated electronic command, control and communication systems.
  - Liaison – Carriage of up to four personnel with a general communication fit.
  - Reconnaissance – Carriage of up to four personnel to perform light infantry, reconnaissance and Air Force security functions.
- 2-Door PMV-L variant. The 2-Door vehicle will perform the following role:
  - Utility – Carriage of two personnel and cargo.

Thales Australia Ltd has been contracted by Defence for the development, production and through-life-support of the PMV-L capability, the Hawkei. Thales Australia Ltd is also the nominated Prime Systems Integrator for the Integral Computing System (ICS).

1.2 Current Status

Cost Performance

In-year

As at 30 June 2025 Financial Year (FY) 2024-25 expenditure was $14.9m against the FY 2024-25 budget of $18.1m. The variation was due to three factors; savings in Introduction Into Service (IIS) training and a cable procurement, an underspend due to the delay of IIS rollout activities and an underspend on an engineering design package due to delays entering into contract.

Project Financial Assurance Statement

As at 30 June 2025, LAND121 Phase 4 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 spent contingency in FY 2024-25.

Schedule Performance

Initial Materiel Release (IMR) and Initial Operational Capability (IOC) were re-scheduled to May 2020 and December 2020 respectively, due to Hawkei reliability issues, design maturity and the production delays caused by Steyr Motors Australia Pty Ltd voluntary administration.

Remedies under the contract, including liquidated damages, were received during FY 2020-21 as a result of the reliability issues. While stop payments had previously been initiated, none occurred during FY 2024-25.

Army endorsed the declaration of IMR with caveats on 26 May 2020. The caveats related to delays in the delivery of some elements of the Hawkei Support System, and Verification and Validation (V&V) activities, primarily due to COVID-19 restrictions. As at 30 June 2021, all caveats had been resolved.

Defence formally advised Thales Australia Ltd on 30 September 2020 that it had been granted approval to exit Stage Two – Low Rate Initial Production (LRIP) and enter Stage Three – Full Rate Production (FRP).

Army's declaration of IOC was deferred a further six months, pending resolution of a vehicle safety incident that occurred on 23 November 2020. Defence temporarily suspended the use of the Hawkei fleet on 25 November 2020 until the issue was resolved.

The incident involved the application of the Anti-Lock Braking System (ABS) under specific operating conditions. The technical solution, developed by Thales Australia Ltd to resolve the issue has been implemented on the ADF's fleet of Hawkei vehicles.

The Hawkei capability commenced Phase-In under the Protected Mobility Family of Vehicles Through Life Support (TLS) Contract on 3 May 2021.

Army declared IOC for the Hawkei capability on 20 May 2021.

Thales Australia Ltd successfully completed all Phase-In activities with the Hawkei Operative Date under the TLS commencing on 26 November 2021.

During the October 2022 Integrated Investment Program (IIP) Portfolio Budget Statements (PBS) Biannual Update, Final Materiel Release (FMR) and Final Operational Capability (FOC) were rescheduled from December 2022 and June 2023, to December 2023 and June 2024 respectively.

On 11 November 2022, Thales Australia Ltd advised Defence that it had identified a new issue impacting the brakes on the Hawkei. Defence accepted Thales Australia Ltd's recommendation to restrict the use of the Hawkei fleet as a precautionary measure until Thales Australia Ltd determined the root cause of the issue.

In January 2024, Thales Australia Ltd completed the implementation of an interim solution on the in-service fleet to allow for unrestricted use until an enduring solution is found.

As a part of the Mid-Year Economic and Fiscal Outlook (MYEFO) 2023 Bi-Annual IIP Update, Defence advised the Government of the safety concern with the Hawkei ABS and critical spare parts deficiencies, which would likely delay the achievement of FOC.

In March 2024, Defence formally advised the Government that FOC would not be achieved by June 2024, as it is contingent on the Thales Australia Ltd's remediation of the current ABS Modulator and Support System issues and subsequent completion of other IIS activities.

On 29 May 2024, Defence conducted a review of Thales Australia Ltd's findings into the root cause of the Hawkei ABS Modulator fault, and their proposed solution to remediate the fault. Defence subsequently accepted Thales Australia Ltd's findings and the proposed solution.

In October 2024, Defence recommenced the rollout of vehicles to Army units and in December 2024 recommenced acceptance of vehicles from Thales Australia Ltd.

A quantity of vehicles will continue to be monitored as part of a robust ABS modulator surveillance plan to fully validate the solution, and to ensure the ongoing safety of personnel and property.

Defence conducted a detailed schedule review to incorporate the ABS Modulator remediation and confirmed vehicle rollout schedule. A revised FMR/FOC was advised to the Capability Manager (CM). This was subsequently endorsed by the CM and advised to Government in the November 2024 Bi-Annual IIP Update.

Materiel Capability/Scope Delivery Performance

16 Hawkei pre-production baseline vehicles and nine trailers were delivered for development and testing purposes under Stages One and Two. The acceptance process for the LRIP vehicles and trailers commenced in January 2018, with the first vehicles being formally accepted by the Commonwealth of Australia (CoA) in March 2018. As at 30 June 2024, the CoA has accepted 874 vehicles and 1058 trailers.

Defence conducted a trial involving the deployment of two Hawkei vehicles to Iraq and Afghanistan. The vehicles were deployed into Iraq as part of Task Group Taji and then redeployed in April 2018 to the Australian contingent in Kabul, Afghanistan. This trial commenced in December 2017 and concluded in August 2018. The key trial objectives included the identification of operational and support issues and deployment considerations for the Hawkei capability.

Thales Australia Ltd advised the CoA on 29 November 2018 that the Hawkei engine supplier, Steyr Motors Australia Pty Ltd, had entered into voluntary administration, which would result in a delay in the supply of engines. Thales Australia Ltd advised Defence that it had acquired Steyr Motors Australia Pty Ltd on 23 August 2019. Thales Australia Ltd's procurement of Steyr Motors Australia Pty Ltd will ensure the continuity of engine supply and the long-term sustainability of the Hawkei program. The IMR milestone was re-scheduled to May 2020 due to Hawkei reliability issues, design maturity and production delays caused by Steyr Motors Australia Pty Ltd entering voluntary administration.

The Hawkei support system continues to be developed. Operator Training commenced at the Army School of Transport in September 2018. Maintainer Training commenced in November 2019 at the Army School of Electrical and Mechanical Engineers. In December 2024, the Driver Training Requirement was fully met.

A Hawkei Operational Test and Evaluation (OT&E) activity was successfully conducted in August 2020 to inform Army's declaration of IOC.

The Systems Acceptance Audit (SAA) was conducted in two parts on 8 September 2020 and 1-3 December 2020. SAA Part One confirmed that the Hawkei mission and support systems met the required specification. Thales Australia Ltd was granted approval to exit SAA Part One on 16 September 2020.

SAA Part Two confirmed the Hawkei FRP design baseline and associated support system was delivered as contracted. Thales Australia Ltd was granted approval to exit SAA Part Two on 20 August 2021.

The Hawkei was unable to achieve external airlift certification resulting in the vehicle being unable to be air lifted by ADF Chinook helicopters.

LAND121 Phase 4 has rolled out 566 Hawkei vehicles as at 30 June 2025 to Army units in Perth, Adelaide, Brisbane, Darwin and Townsville, as well as to Army training units in Puckapunyal and Bandiana. 138 LRIP vehicles were withdrawn from units to be uplifted to the final contracted baseline, leaving 428 currently in-service with Army and Air Force.

1.3 Project Context

Background

LAND121 Phase 4 addresses the ADF's land mobility asset needs through the development of lightweight and light class field vehicles with the requisite levels of ballistic and blast protection.

Government agreed First Pass Approval in October 2008, to pursue the development of a next generation PMV-L by joining the United States (US) Joint Light Tactical Vehicle (JLTV) Program (Option One) and at the same time retain the possibility of acquiring a Market Available Vehicle (MAV) in the event JLTV proves unsuitable (Option Two).

In May 2009, Government directed that an Australian indigenous option for PMV-L be considered. In June 2009, a Manufactured and Supported in Australia (MSA) Option (Option Three) was pursued through the release of a Request for Proposal. In 2009, Defence joined the US JLTV Program Development Group funding.

First to Interim Pass funding was provided in November 2009 following approval of Materiel Acquisition Agreement (MAA) V2.0, where Government agreed that LAND121 Phase 4 would return to Government for an Interim Pass decision on which option was to be pursued to Second Pass.

In May 2010, Government agreed that the MSA (Option Three) be further investigated prior to Interim Pass through the conduct of initial prototyping activities. Stage One MSA funding was provided in July 2011 to assess six developmental Line of Departure vehicles, two from each of the three companies - Force Protection Europe Ltd, General Dynamics Land Systems-Australia and Thales Australia Ltd. The procurement process determined that there were no off-the-shelf options available that met all ADF requirements. Government refined its direction in December 2011 that:

- Directed Defence to cease active participation in the US JLTV Program but continue to monitor the US JLTV Program, given its potential to provide an alternative at Second Pass.
- Selected Thales Australia Ltd's PMV-L as the preferred vehicle for further development and testing under Stage Two of the MSA (Option Three).

MSA Stage Two funding was provided in April 2012 that enabled Thales Australia Ltd to carry out further development of their PMV-L, culminating in a program of trials and testing of the prototypes in late 2013. A risk reduction activity aimed at reducing residual technical risk to an acceptable level was carried out in 2014.

In August 2015, Government provided Second Pass Approval for LAND121 Phase 4 to acquire the Thales Australia Ltd PMV-L. LAND121 Phase 4 contract was established in October 2015 for 1,100 Hawkei vehicles and 1,058 trailers based on a minimum 50 percent of the production or manufacturing costs to be incurred in Australia.

Support requirements for the Hawkei have been incorporated into the existing Protected Mobility Vehicle-Medium (Bushmaster) TLS Contract. It is anticipated that integrating the support arrangements for both fleets will reduce the overall cost of ownership of the vehicle systems by approximately $270.0m over the 15-year life of the vehicle systems. In October 2021, Government approved a reduction to project scope of two Hawkei vehicles for buy-back by Thales Australia Ltd to support a potential export opportunity. The reduction in the total quantity of vehicles to be delivered to the CoA from 1,100 to 1,098 has been formalised in an acquisition contract change and will be reflected through an update to the MAA.

On 21 July 2023, LAND121 Phase 4 was elevated to a Project of Interest (POI), due to Thales Australia Ltd's inability to resolve the brake issue and lift the operating restrictions across the wider ADF fleet. This has created significant risk to the achievement of FOC. A remediation plan was approved on 11 October 2023 for the resolution of the issues, which elevated the Project to a POI. This plan was subsequently updated on 25 September 2024.

In September 2023, a commercial arrangement was entered into with Thales Australia Ltd, which provided the CoA with goods, and services in kind as liquidated damages, reduced the total contract value, added scope and a Performance Framework for several remaining milestones under the contract. The events, which triggered the liquidated damages, have been recorded in the Liquidated Damages register and they were not utilised within FY 2023-24 or FY 2024-25.

Uniqueness

LAND121 Phase 4 is a developmental project specifically designed to meet the ADF's requirements. The uniqueness of PMV-L stems from the combination of the following in a single vehicle:

- A high level of blast, ballistic and fragmentation protection, enabling greater deploy-ability within high risk operational environments.
- A next-generation Generic Vehicle Architecture based Command, Control, Communications, Computers and Intelligence (C4I) solution – ICS.

Utilise a modular armour system to enable enhanced protection based on mission specific roles.

Major Risks, Emergent Risks and Issues

The project currently has no high rated major risks, emergent risks or issues (pre-mitigation rating).

The following high rated risk and issues were retired or downgraded to medium in FY 2024-25:

- There is a risk that delays to the rollout of vehicles may increase storage requirements and cost, subject the vehicles to degradation due to lack of use, and impact the ability of the project to meet FMR and FOC.
- The acceptance and rollout of the Hawkei have been impacted by the prime contractor's inability to resolve the ABS modulator braking issue in a timely manner resulting in vehicles degradation due to lack of use, and delay in the achievement of FMR and FOC.
- Use of the Hawkei capability has been impacted by delays to implementation of the Support System due to a deficient/or incomplete Interactive Electronic Technical Publication (IETP) update being supplied resulting in impacts to Capability, Health and Safety, and Schedule.

Other Current Related Projects/Phases

LAND200 Tranche 2 – Battlefield Command Systems. This project seeks to expand and evolve the Battle Management System – Command and Control (BMS-C2) and supporting Tactical Communications Network (TCN) from Battle Group (BG) to Brigade Headquarters. LAND200 Tranche 2 was also scoped to enhance data interoperability and information exchange with other

government agencies and Coalition partners by integrating the BMS-C2 onto the Mission Partner Environment. BMS and TCN elements of LAND200 Tranche 2 that will not be delivered have been defined with certainty against the original project scope. Refer to Section 2.3 for further information relating to the contractual arrangements between LAND200 Tranche 2, LAND121 Phase 4 and Thales Australia Ltd.

LAND154 Phase 4 – Joint Counter Improvised Explosive Device Capability. This project replaces the ADF's existing Force Protection Electronic Counter Measures (FPECM) capability through improved military off-the-shelf technology, procured via the US Foreign Military Sales program. FPECM mission systems will include both a Dismounted System and a Vehicle Mounted System (VMS). The VMS will be integrated onto a range of ADF mobility platforms, including the Hawkei.

LAND19 Phase 7B – Short Range Ground Base Air Defence. This project will acquire a new Short Range Ground Based Air Defence capability, replacing Army's existing RBS-70 system. Under the scope of LAND19 Phase 7B, the tactical radar and high mobility launcher system will be integrated onto the Hawkei mission system.

Section 2 – Financial Performance[1]

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	$m		Notes
	Project Budget			
May 08	Original Approval (Government First Pass Approval)	1.8		
Nov 09	Real Variation – Scope	5.7		1
Jul 11	Real Variation – Scope	31.5		2
Apr 12	Real Variation – Scope	48.4		3
Sep 15	Government Second Pass Approval	1,857.6		
	Total at Second Pass Approval		**1,944.9**	4
Jul 10	Price Indexation		0.4	5
Jun 25	Exchange Variation		30.3	
Jun 25	**Total Budget**		**1,975.5**	
	Project Expenditure			
Prior to Jul 24	Contract Expenditure – Thales Australia Ltd (Prime Contract)	(1,500.1)		6
	Contract Expenditure – Thales Australia Ltd prototyping activities (MSA Stage One and Stage Two Contract)	(58.7)		7
	Other Contract Payments/Internal Expenses	(136.4)		6, 8
			(1,695.2)	
FY to Jun 25	Contract Expenditure – Thales Australia Ltd (Prime Contract)	(1.7)		9, 10
	Other Contract Payments/Internal Expenses	(13.2)		11
			(14.9)	
Jun 25	**Total Expenditure**		**(1,710.1)**	
Jun 25	**Remaining Budget**		**265.4**	

Notes	
1	This amount reflects funding approval at Government First Pass Approval.
2	This amount reflects approval to undertake MSA Stage One prototyping.
3	This amount reflects funding approval at Interim Pass for MSA Stage Two prototyping.
4	The Budget and Expenditure amounts do not reflect the $43.0m paid in 2009. Due to the payment being provided by Capability Development Group and was not part of the LAND121 Phase 4 project budget.
5	Up until July 2010, indexation was applied to project budgets on a periodic basis. The cumulative impact of this approach was $0.3m. In addition to this amount, the impact on the project budget as a result of out-turning was a further $0.1m having been applied to the remaining life of the project.
6	$0.5m has moved from Other Contract Payments/Internal Expenses to Contract Expenditure – Thales Australia Ltd (Prime Contract). There was no change to the total expenditure prior to July 2023 and this change was to correctly reflect the spread of expenditure.
7	These expenditures relate to pre-Second Pass costs associated with exploring the Government initiated MSA Option (Option Three) and the contracts are now closed.
8	Other Contract Payment/Internal Expenses comprise of: External Service Providers ($46.2m), Non-Prime contracts ($44.8m), MAV prototyping activities ($17.7m), Support Contract Phase-In Payments ($8.3m), costs related to testing/trials ($8.0m), project administrative costs ($7.4m), legal costs ($2.2m), and US JLTV Program ($1.8m).
9	In September 2023, Thales Australia Ltd and the CoA entered into a commercial arrangement to provide the CoA with Liquidated Damages. This arrangement did not impact FY 2023-24 expenditure.

[1]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.

10	The Liquidated Damages commercial arrangement execution and Foreign Exchange (FOREX) adjustments resulted in reductions to the FY 2023-24 accrual values, which created a positive contract expenditure for the Thales Australia Ltd Prime Contract this FY 2024-25 (FOREX accounts for $3.9m of the accrual reduction).
11	Other Contact Payment/Internal Expenses comprise External Service Providers ($7.5m), Non-Prime contracts ($4.8m), admin and legal costs ($0.5m), and cost related to testing/trials ($0.4m).

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	In-year Budget $m	Explanation of Material Movements
9.8	18.1	18.1	Portfolio Budget Statement (PBS) to Portfolio Additional Estimates Statements (PAES): The variation is primarily due to the reprogramming of the underspend from FY 2023-24 into the FY 2024-25 due to the Hawkei safety brake issue. PAES to In-year Budget: Nil variance.
Variance $m	8.3	0.0	Total Variance ($m): 8.3
Variance %	84.7	0.1	Total Variance (%): 84.8

2.2B In-year Budget/Expenditure Variance

In-year Budget $m	Actual $m	Variance $m	Variance Factor	Explanation
		(0.8)	Australian Industry	The variation of ($3.2m) was due to three factors, savings in IIS training and a cable procurement ($1.6m), an underspend due to the delay of IIS rollout activities ($0.8m) and an underspend on an engineering design package due to delays entering into contract ($0.8m).
		-	Foreign Industry	
		-	Early Processes	
		(0.8)	Defence Processes	
		-	Foreign Government Negotiations/Payments	
		(1.6)	Cost Saving	
		-	Effort in Support of Operations	
		-	Additional Government Approvals	
18.1	14.9	**(3.2)**	**Total Variance**	
		(17.6)	**% 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			
Thales Australia Ltd	Jul 10	9.0	58.7	Firm or Fixed	Standard Defence Contract	3
Thales Australia Ltd	Oct 15	1,328.5	1,566.7	Firm or Fixed	Standard Defence Contract	1, 2, 3, 4, 5 6, 7

Notes	
1	Price variation from Contract Signature is due to approved Contract Change Proposals (CCP), predominantly to progress the development and integration of ICS.
2	Contract value as at 30 June 2025 is based on actual expenditure to 30 June 2025, remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable).
3	Price variation from contract signature was to exercise the MSA Stage Two option.
4	The contract has been re-evaluated as being a 'fixed' price because the contract value is 'fixed', plus price escalation.
5	The contract price and scope were increased under CCP078 and CCP107 to incorporate the LAND200 Tranche 2 design work.
6	Costs related to the LAND200 Tranche 2 design, procurement and installation will be funded by LAND200 $12.5m, while this project contributes $2.0m primarily for the design, development and installation of the vehicle, installation harnesses for Royal Australian Air Force and Protected Mobility Integrated Capability Assurance vehicles.
7	The contract incorporates liquidated damages from CCP executed in FY 2020-21 (CCP086) and FY 2023-24 (CCP105).

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

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 25		
Thales Australia Ltd	2 PMV-L	8 PMV-L	Design, develop and demonstrate prototype vehicles.	-
Thales Australia Ltd	1,100 PMV-L 1,058 Trailers	1,098 PMV-L 1,058 Trailers	Thales Australia Ltd is contracted to deliver 1,098 PMV-L (633 4-Door and 465 2-door vehicles) and 1,058 Trailers.	1, 2, 3

Major equipment accepted and quantities to 30 Jun 25
Defence received 10 pre-production baseline vehicles and five trailers from Thales Australia Ltd on schedule for the purpose of various test and evaluation activities under Stage One (Engineering and Manufacturing Development) of the LAND121 Phase 4 Acquisition Contract. Defence received an additional six pre-production baseline vehicles and four trailers for reliability testing, and V&V activities in Stage Two. The CoA has accepted 1058 vehicles and 1,058 trailers as at 30 June 2025, which includes the 138 Hawkei and 138 trailers required for IMR.

Notes	
1	The 16 test vehicles and nine test trailers for development and testing activities are in addition to the 1,098 Hawkei and 1,058 trailers.
2	In October 2021, Government approved a reduction to project scope of two Hawkei vehicles for buy-back by Thales Australia Ltd to support a potential export opportunity. The reduction in the total quantity of vehicles to be delivered to the CoA from 1,100 to 1,098 has been formalised in an acquisition contract change and will be reflected through an update to the MAA.
3	The contract incorporates goods and services to be received as liquidated damages from a CCP executed in FY 2023-24 (CCP105).

2.4 Australian Industry Capability

Summary
The project has a contracted Australian Industry Capability (AIC) schedule to meet MSA requirements that is in Thales Australia Ltd's AIC Plan across the areas of manufacturing and production.
Note
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
Detailed Design Review (DDR)	PMV-L and Trailer	Mar 16	N/A	Apr 16	1	1
	ICS	Jan 17	N/A	Dec 16	(1)	2
Preliminary Design Review (PDR)	ICS	Sep 16	N/A	Sep 16	0	-
Critical Design Review (CDR)	PMV-L, Trailer and ICS	Apr 17	Aug 17	Oct 17	6	3
Support System Detailed Design Review (SSDDR) (Operator)	Support System	Jun 17	Jun 18	Aug 18	14	4, 5
SSDDR (Maintainer)	Support System	Jun 17	Jan 19	Jun 20	36	5, 6

Notes	
1	The variance is due to the Contractors delay in closing out the action items.
2	The Contractor and the project agreed to conduct the review early, thus the early achievement. The CoA approval of ICS DDR Minutes of Meeting was achieved on 19 December 2016.
3	The variance is due to the vehicle performance exceeding the number of critical failures allowable under Reliability Growth Trial (RGT). Stage One (Engineering and Manufacturing Development) was extended by a four-month period via CCP032 (executed 5 April 2017) to allow Thales Australia Ltd to remediate the critical failures and to undertake an additional RGT in order to fulfil the contractual requirements under Stage Two.
4	The variance of SSDDR of 14 months is due to the LRIP baseline not being ready for review until CDR exit in October 2017 and the contractor failed to meet the entry criteria in the SSDDR Checklist.
5	The SSDDR was split into separate 'Operator' and 'Maintainer' reviews after the execution of CCP055 in November 2018 to align the training deliverables with the IIS of the capability.
6	An additional eight-month delay to SSDDR (Maintainer) occurred due to delays in finalising the Hawkei Reliability Program, which impacted the finalisation of the FRP vehicle baseline. The CoA confirmed formal exit of SSDDR to Thales Australia Ltd on 19 June 2020.

3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/ Forecast	Variance (Months)	Notes
Maintenance Demonstration	PMV-L, Trailer and ICS	Dec 16	Dec 16	Jul 17	7	1
Reliability Growth Trial (RGT)	PMV-L and Trailer	Mar 17	Jul 17	N/A	N/A	2
Reliability Demonstration Test (RDT)	PMV-L and Trailer	Feb 18	N/A	Nov 18	9	3
Development Test & Evaluation (DT&E)	PMV-L, Trailer and ICS	Mar 17	Sep 17	Sep 17	6	4

Initial Maintenance Evaluation (ME)	PMV-L, Trailer and ICS	Oct 17	Jan 18	Jun 18	8	5
Final Maintenance Evaluation	PMV-L, Trailer and ICS	Jul 25	Jul 25	NFP	NFP	5, 6, 11
Acceptance Verification and Validation (AV&V)	PMV-L, Trailer and ICS	Jun 18	Jan 19	Jul 20	25	7, 8
Production Reliability Acceptance Test (PRAT)	PMV-L and Trailer	Jun 18	Jan 19	Jun 20	24	9
Low Rate Initial Production (LRIP) Acceptance Last Batch	PMV-L, Trailer and ICS	Jun 18	Jan 19	Oct 19	16	7, 8
FRP Acceptance Last Batch	PMV-L, Trailer and ICS	Oct 20	Oct 22	Jul 25	57	7, 8, 10, 12

Notes

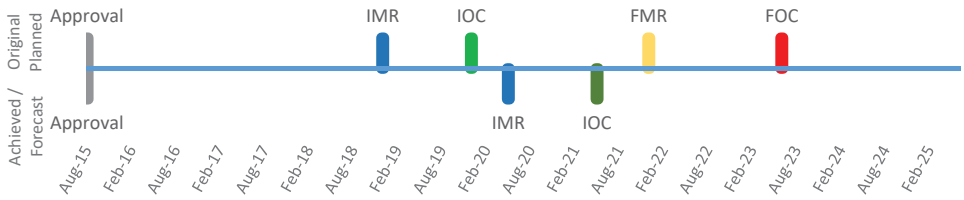
1	The variance is due to the CoA rejecting the first two versions of the Maintenance Demonstration Acceptance Verification Reports (AVR) submitted on 24 January 2017 and 30 March 2017. The approved version of the report was submitted to the CoA on 1 June 2017, with the Notice of Approval signed on 3 July 2017.
2	RGT was separated into the following three activities: • RGT Number One was conducted over the period July to December 2016 and provided Thales Australia Ltd with the opportunity to resolve any issues with the vehicles ahead of the formal trial activities that commenced under RGT Number Two. • RGT Number Two commenced in November 2016. In January 2017, the pilot Hawkei vehicles had exceeded the seven allowable critical failures under the contract. Identified key root causes include supplier quality issues and immature components affecting hardware and software integration. A six-week corrective action period was implemented to allow Thales Australia Ltd to undertake engineering upgrades. • RGT Number Three (May to July 2017) followed this, which demonstrated reliability improvements on a number of sub-systems, but a number of recurring failures were evident.
3	Thales Australia Ltd was granted exit of Stage One (Engineering and Manufacturing Development) on 5 September 2017, with the caveat that Thales Australia Ltd continued to address the reliability issues. The RDT was introduced as CCP to confirm that failures identified during the RGT had been rectified before entering into the Production Readiness Acceptance Test. The nine month delay in completing RDT is due to the delay in remediating the outstanding reliability issues.
4	As part of the extension of Stage One (Engineering and Manufacturing Development), DT&E was extended to facilitate further development testing and to mitigate against the AV&V activities required under Stage Two (LRIP).
5	The approval of AVR for the initial ME was delayed by seven months due to the initial submission of the report being rejected by the CoA, primarily due to the incompleteness of the IETP presented by Thales Australia Ltd.
6	Thales Australia Ltd's compliance against the deficiencies identified in the initial ME were addressed in the second ME. Subsequent MEs have been conducted to address engineering changes as the vehicles design developed. The Final ME will be scheduled following the completion of a CCP to incorporate it into the prime contract.
7	AV&V was delayed by 25 months due to the requirement to extend reliability testing, which impacted on the date that the LRIP vehicle build state was established between the CoA and Thales Australia Ltd. The delay in establishing the vehicle build state impacted on vehicle availability to conduct AV&V activities. The reliability issues, design maturity and production delays further impacted the completion of AV&V. Sea, air and rail V&V activities were previously delayed by COVID-19 movement restrictions, but were completed prior to the declaration of IOC. External Airlift of a Hawkei (under a CH-47) did not receive certification and will not be achieved.
8	As part of the extension of Stage One (Engineering and Manufacturing Development), the start dates of some Stage Two LRIP and Stage Three FRP activities were delayed. Between December 2022 and December 2024 The ABS Breaking issue did not allow for acceptance of FRP vehicles due to non-conformance of supplies.
9	PRAT was finalised on 10 June 2020 with the CoA's approval of the Integrated Reliability Maintainability and Testability Report from Thales Australia Ltd.
10	Defence has conducted a detailed assessment of the revised vehicle delivery schedule from Thales Australia Ltd against the projects milestones. The revised schedule factors in delays due to Thales Australia Ltd's production capacity, the requirement to uplift early production vehicles to the contracted product baseline, the November 2022 vehicle braking safety issue, and COVID-19 global supply chain challenges. Thales Australia Ltd implemented an interim solution on the in-service fleet to allow for unrestricted use until the implementation and qualification of an enduring solution addresses the root cause.
11	The final ME has been incorporated into the contract via an executed CCP101.
12	CCP097 was executed in November 2021 and included an adjustment to the contracted completion date for Milestone 57 from May 2021 to October 2022.

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	Dec 18	May 20	17	1, 2
Initial Operational Capability (IOC)	Dec 19	May 21	17	1
Final Materiel Release (FMR)	Dec 21	NFP	NFP	3, 4, 5, 6, 7
Final Operational Capability (FOC)	Jun 23	NFP	NFP	3, 4, 5, 6, 7

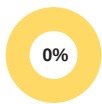
Notes	
1	IMR was initially deferred by five months to enable the conduct of an additional vehicle reliability demonstration activity (four months) and the extension of IIS Training and the associated increase in vehicle deliveries (one month). IMR and IOC were re-scheduled by 12 months to May 2020 and December 2020 respectively, due to Hawkei reliability issues, design maturity and production delays caused by Steyr Motors Australia Pty Ltd entering voluntary administration. IOC was further deferred until June 2021, pending resolution of the vehicle safety incident. IOC was declared on 20 May 2021.
2	IMR was declared with caveats in May 2020. These caveats have now been resolved.
3	On 4 August 2022 the CM (Army) advised Government that the FOC of the Hawkei will be delayed from June 2023 to June 2024 due to COVID-19 related disruptions, design issues and delays to Thales Australia Ltd's FRP and uplift capacity. The revised FMR and FOC dates of December 2023 and June 2024 were formalised during the October 2022 IIP PBS Biannual Update and will be reflected in the next MAA update.
4	Thales Australia Ltd has provided a root cause of the ABS Modulator fault and Remediation Plan. The implementation of the remediation required will impact the achievement of FMR and FOC. Defence is working closely with Thales Australia Ltd to confirm the schedule and anticipates being in a position to provide an update as part of the mid-year biannual update.
5	Through the MYEFO 2023 Bi-Annual IIP Update, Defence advised the Government of the safety concern with the Hawkei ABS and critical spare parts deficiencies, which would likely delay the achievement of FOC.
6	Defence formally advised the Government that FOC would not be achieved by June 2024, as it is contingent on Thales Australia Ltd's remediation of the current ABS Modulator and Support System issues and subsequent completion of other IIS activities.
7	Defence conducted a detailed schedule review to incorporate recent developments and based on this a revised FMR/FOC was advised to the CM. This was subsequently endorsed by the CM and advised to Government in the November 2024 Bi-Annual IIP Update.

Schedule Status at 30 June 2025



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 materiel capability requirements as expressed in the MAA less the External Air Transport requirement, in accordance with the requirements of the Technical Regulatory Authorities.
	**Amber:** N/A
	**Red:** The Hawkei has not achieved External Air Transport certification due to a combination of factors relating to: vehicle weight, load instability when underslung, and CH-47F lift capacity when operationally configured.

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)	The capability delivered at IMR: • 108 x Hawkei and 108 x Trailers to be delivered in accordance with the Force Generation Cycle; 22 x Hawkei and 22 x Trailers for IIS Training (increased from 14 x Hawkei and 14 Trailers). • Eight x Hawkei and eight Trailers for the conduct of V&V, and PRAT. • Logistics support arrangements, including Training, Supply and Maintenance Systems. IMR was achieved with caveats in May 2020. As at 30 June 2021, all of these caveats have been resolved.	Achieved
Initial Operational Capability (IOC)	Declaration of IOC was made by the CM following the conduct of a BG sized OT&E activity to validate the Hawkei Fundamental Inputs to Capability (FIC) components. IOC was declared in May 2021.	Achieved
Final Materiel Release (FMR)	By FMR, the following will be delivered: • 1,098 x Hawkei and 1,058 x Trailers. • IIS Training and transfer of IIS training packages. Forecast dates for FMR are NFP.	Not yet Achieved
Final Operational Capability (FOC)	Declaration of FOC will be made by the CM supported by the results of OT&E and confirmation by the Capability Acquisition and Sustainment Group (CASG) that the FIC components have been delivered as agreed. The FOC criteria are to be defined by the CM. Forecast dates for FOC are NFP.	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
1	Delays to the rollout of vehicles may increase storage requirements & cost, subject the vehicles to degradation due to lack of use, and impact the ability of the project to meet FMR and FOC.	Optimisation of storage at staging facility. Engaging resources to meet projected staging requirements. Undertake fleet management activities at staging facility to reduce storage degradation. This risk was downgraded to medium in FY 2024-25 as a revised FOC date was confirmed. This risk will be removed from next year's Major Projects Report (MPR).

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
1	The acceptance and rollout of the Hawkei have been impacted by Thales Australia Ltd's inability to resolve the ABS modulator braking issue in a timely manner.	The ABS Modulator Remediation plan developed and implemented. Implementation of an interim solution. Regular engagement between the CoA and Thales Australia Ltd to discuss remediation. Contractual Latent Defect provisions. This issue was downgraded to medium in FY 2024-25 as an enduring ABS Modulator solution was developed and a revised FOC date was confirmed. This risk will be removed from next year's MPR.

2	Use of the Hawkei capability has been impacted by delays to implementation of the Support System.	Clearly defined criteria to publish technical publications. The Technical Publication remediation plan developed and implemented. Regular engagement between the CoA and Thales Australia Ltd to discuss remediation. This issue was downgraded to medium in FY 2024-25 as the prime contractor was able to deliver a publishable IETP and a revised FOC date was confirmed. This risk will be removed from next year's MPR.

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 32 lessons. The three strategic lessons and the two project level lessons (non-strategic) are listed below.

Strategic Lessons Description	Categories of Systemic Lessons
Strategic Lesson Type – Insight. Developmental Capability. The Hawkei is a technically complex development project that requires active engagement with the contractor, multiple interagency stakeholders and projects from other domains. Maintaining close collaboration and communication with all stakeholders is critical for understanding the technical requirements for a first-of-type capability, and facilitating proactive risk management and contingency planning.	Commercial Management
Strategic Lesson Type – Observation. Vehicle Acceptance Resourcing and Planning. The early planning and generation of dedicated CoA Production Liaison and Vehicle Acceptance staff (and processes) enables improved planning in conjunction with the original equipment manufacturer for vehicle acceptance and quality assurance processes. This improves transition from design into the production and Vehicle Acceptance stage of the program.	Program, Project & Product Management
Strategic Lesson Type – Insight. Hawkei Reliability Growth. Reliability programs must incorporate sufficient schedule for reliability growth of the capability to set the conditions for a successful outcome. Reliability fixes must be supported by objective quality evidence before proceeding to the next reliability test.	Program, Project & Product Management
Project Level Lessons (non-strategic) Description	**Categories of Systemic Lessons**
Project level lesson. For first of type developmental Capability Projects, the CoA must ensure industry are aware of the requirements and level of effort required for the development of artefacts. Early contractual measures such as tailoring Data Item Descriptions templates, providing clearer guidance, interrogation of tender cost models, introducing incentives and indemnities and ensuring standards are in line with industry best-practice would help to mitigate this issue.	Program, Project & Product Management
Project level lesson. Organisational structures should be carefully reviewed and defined when combining existing sustainment products and projects to create new System Program Offices.	Program, Project & Product Management

Section 7 – Project Structure

7.1 Project Structure as at 30 June 2025

Unit	Name
Division	Land Systems Division
Branch	Land Vehicle Systems Branch