

Project Data Summary Sheet¹⁶³

Project Number	AIR 7000 Phase 1B
Project Name	MQ-4C TRITON REMOTELY PILOTED AIRCRAFT SYSTEM
First Year Reported in the MPR	2019-20
Capability Type	New
Acquisition Type	Developmental
Capability Manager	Chief of Air Force
Government 1st Pass Approval	Jul 06
Government 2nd Pass Approval (or key Government pre-Second Pass Approval)	Jun 18 (Tranche 1) Mar 19 (Tranche 2) May 20 (Tranche 3)
Budget at 2 nd Pass Approval (or key Government pre-Second Pass Approval)	\$1,246.1m (Tranche 2)
Total Approved Budget (Current)	\$1,311.4m
2019-20 Budget	\$104.3m
Project Stage	Preliminary Design Review
Complexity	ACAT II



Section 1 – Project Summary

1.1 Project Description

AIR 7000 Phase 1B will acquire three MQ-4C Triton aircraft and associated support systems. A further three aircraft are planned, subject to further approvals by Government. 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. The Triton is being procured through a Cooperative Program with the United States Navy (USN).

1.2 Current Status

Cost Performance

In-year

The in-year \$8.7m (8.3%) under-achievement against approved budget was mainly due to a USN revised payment schedule in May 2020. This will have no capability impact and all planned activities were achieved in FY19-20.

Project Financial Assurance Statement

As at 30 June 2020, project AIR 7000 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 financial year.

Schedule Performance

The project was declared a Project of Interest (POI) in March 2020 due to the USN announcing a two year production funding pause, in February 2020, for its Triton program (US Fiscal Years 2021 and 2022). The pause will have capability, schedule and cost implications, and potential sustainment cost and capability impacts. Defence placed Triton project activity on hold whilst analysing the impacts to the Australian program and the broader Maritime Patrol and Response capability. Government considered these impacts within the Tranche 3 proposal in May 2020 and approved the acquisition of a third Triton aircraft.

Schedule risk increased with the facilities program being put on hold until Government approval in May 2020. As a consequence, Government agreed revised milestone dates as part of the May 2020 decision. FOC is subject to further Government consideration in late 2020. Schedule risk to the facilities program remains elevated until Public Works Committee (PWC) approval has been obtained.

The project is undergoing a fundamental review as part of the Maritime Patrol and Response Program. Post the May 2020 Government approval, all project milestone definitions and the project schedule are being re-baselined through a Materiel Acquisition Agreement (MAA) update, after which, the project may be removed from the POI list.

Materiel Capability 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.

¹⁶³ Notice to reader

Forecast dates and Sections: 1.2 (Materiel Capability Delivery Performance), 1.3 (Major Risks and Issues), 4.1 (Measures of Materiel Capability 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 Review Report by the Auditor-General* in Part 3 of this report.

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

1.3 Project Context

<p>Background</p> <p>The Air 7000 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 Remotely Piloted Aircraft System (Phase 1B), designed to operate as a 'family of systems'.</p> <p>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.</p> <p>In February 2009, the Government agreed not to join the USN Cooperative Program (CP) and to defer Phase 1B until after Phase 2B as delays in the USN BAMS program would have meant introducing both aircraft types at the same time. Defence was directed to continue to monitor Triton performance in the USN program.</p> <p>In February 2014 Government agreed that Defence continue development of a single capability option for Phase 1B for up to seven MQ-4C Triton. Defence subsequently established a Foreign Military Sales (FMS) Technical Services Case with the USN Triton Program Office to secure access to information to support the development of a Gate 2 Business Case. The approved acquisition strategy for the MQ-4C Triton was procurement via FMS. However, the 2014 submission to Government advised Defence's intent to further investigate the value to Defence of entering into a Cooperative Program (CP) with the USN.</p> <p>Defence White Paper 2016 stated up to seven Triton would be acquired, and in March 2016 Government agreed to the P-8A and Triton force mix, consisting of twelve (12) and six (6) aircraft respectively.</p> <p>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.</p> <p>The decision to join the developmental CP was based on benefits including the ability to co-operatively design and develop the MQ-4C Triton RPAS to fulfil the established US and Australian Initial Operational Capability (IOC) requirements to the maximum extent practicable; maximise configuration commonality and promote interoperability; and provide access to the highest level of information.</p> <p>In March 2019, Government provided Second Pass (Tranche 2) Approval to procure one additional air vehicle (the second of the IIP provisioned six), supporting elements, and development of network infrastructure.</p> <p>In February 2020 the US Federal Defense budget proposed a pause in production funding for the US Navy MQ-4C Triton project for two years (US Fiscal Years 2021-22). This pause in funding impacts AIR 7000 Phase 1B. As a co-operative partner in the Triton program, Defence worked closely with both the USN and Northrop Grumman regarding the implications of the pause, in order to inform the Gate 2 (Tranche 3) submission to Government.</p> <p>In May 2020, Government provided Second Pass (Tranche 3) Approval to procure the third air vehicle. Contracts were subsequently executed between the United States Navy and Northrop Grumman Corporation on 27 June 20 for Australia's three approved MQ-4C Triton aircraft and ground systems.</p> <p>Following the Tranche 3 approval, the project will update the MAA, and support an MPR Program submission due to Government by end-2020.</p> <p>Uniqueness</p> <p>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.</p> <p>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.</p> <p>AIR 7000 Phase 1B is developing, producing and sustaining the MQ-4C capability through a Government to Government CP with the USN. This arrangement is distinctly different from the traditional Foreign Military Sales (FMS) or Direct Commercial Sales (DCS) arrangements. The benefits of a CP include significantly enhanced insight and influence over the development of the RPAS, better awareness and control of project costs drivers, insight into program risks, better access to technical and sustainment data, leveraging economies of scale in production and sustainment, and access to the USN wholesale spares warehouse.</p> <p>There are eight Commonwealth personnel embedded in the USN Program organisations as a non-financial contribution to the shared outcomes of the CP. These embedded team members are referred to as Cooperative Program Personnel (CPP). In addition to their roles within the USN Program, CPP may provide input, insight and influence across the MQ-4C program.</p> <p>Major Risks and Issues</p> <p>The project is currently managing the following major risks:</p> <ul style="list-style-type: none"> • Single Information Environment (SIE) Integration • Triton Operating Permit process • Immature data to adequately quantify Sustainment Costs • Initial system qualification • SATCOM Support • Operational Test & Evaluation (OT&E), and Network Integration complexity • Facilities Design and Construction Costs <p>The project is currently managing the following issue:</p> <ul style="list-style-type: none"> • Facilities are incomplete to achieve In-Service Date <p>Other Current Related Projects/Phases</p> <p>AIR 7000 Phase 2 – Maritime Patrol and Response Aircraft System: acquisition of 12 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.</p> <p>AIR 555 Phase 1 – Airborne ISREW Capability: acquisition of the Peregrine Airborne Intelligence, Surveillance, Reconnaissance and Electronic Warfare (ISREW) capability. Peregrine will be the lead project for Enterprise-level network infrastructure that will be common to Triton.</p>
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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
	Real Variation – Transfer	1.0	6
Apr 19	Real Variation – Transfer	0.7	6
July 19	Government Second Pass Approval – Tranche 2	320.8	7
	Total at Second Pass Approval	1,246.1	
Jul 10	Price indexation	0.2	9
Jun 20	Real Variation – Real Cost Decrease	(2.2)	8
	Exchange Variation	67.3	
	Total Budget	1,311.4	12
	Project Expenditure		
Prior to Jul 19	DPS MoU	(91.1)	
	Sense and Avoid Capability	(63.5)	
	Triton Prime Contracts	(38.2)	
	Diminishing Manufacturing Source Items	(14.5)	
	USN Production Engineering and Logistics Support	(0.7)	
	Other Contract Payments / Internal Expenses	(34.4)	10
		(242.4)	
FY to Jun 20	Triton Prime Contracts	(43.2)	
	USN Production Engineering and Logistics Support	(18.7)	
	Diminishing Manufacturing Source Items	(6.6)	
	Other Contract Payments / Internal Expenses	(27.1)	11
		(95.6)	
Jun 20	Total Expenditure	(338.0)	
Jun 20	Remaining Budget	973.4	12

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 Stations, 2 Forward Operating Base Mission Control Stations 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 to fund one additional aircraft and associated support systems.
8	Force Structure Plan (FSP) amendment in June 2020.
9	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.
10	Other contract payments/internal expenses to 30 June 2019 were comprised of pre-2 nd pass approval expenses \$13.6m, Government Furnished Equipment \$13.5m, Foreign Military Sales case \$4.3m, and local contract support \$3m.
11	Other contract payments/internal expenses to 30 June 2020 were comprised of Initial Support & Test Equipment & Ground Support Equipment \$11.9m, Mission System Trainer Acquisition & Installation \$7.3m, local contract support and other project management expenses \$5.2m, Initial Training \$2.1m, Foreign Military Sales case \$0.3m, and USN payments for Initial Spares \$0.3m.
12	Total and remaining budget, as at 30 June 2020, does not include Tranche 3 Government approved funding. This funding had not yet transferred to the corporate finance system.

2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
101.3	105.0	104.3	PBS – PAES: The variance is due to rephasing of planned payments to the US, an increase in major service provider support and foreign currency exchange adjustments. PAES – Final Plan: The variance is due to foreign currency exchange adjustments.

Variance \$m	3.7	(0.7)	Total Variance (\$m): 3.0
Variance %	3.7	(0.7)	Total Variance (%): 3.0

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
		(8.7)	Australian Industry	An underspend of \$8.7m against the approved budget in FY19-20 was mainly due to a USN revised payment schedule in May 2020. This will have no impact on the FY20/21 budget and all planned activities were achieved in FY19-20.
			Foreign Industry	
			Early Processes	
			Defence Processes	
			Foreign Government Negotiations/Payments	
			Cost Saving	
			Effort in Support of Operations	
			Additional Government Approvals	
104.3	95.6	(8.7)	Total Variance	
		(8.3)	% Variance	

2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature \$m	30 Jun 20 \$m			
US Government (DPS MoU)	Jun 2018	200.0	215.7	Cost Ceiling (Capped)	MoU	1
US Government (Diminishing Manufacturing Source Items)	Nov 2018	0.5	21.0	Variable	MoU	2,3
US Government (Triton Prime Contracts)	May 2019	37.5	486.8	Variable	MoU	3,4
US Government (USN Production Engineering and Logistics Support)	May 2019	0.7	19.4	Variable	MoU	3
US Government (PA-1 Sense and Avoid Capability)	May 2019	61.3	63.5	Cost Ceiling (Capped)	MoU	1

Notes

1	DPS MoU and PA-1 funding is limited to a cost ceiling, which can only be changed upon mutual written consent of the Participants. Australia is responsible for paying a proportion of the total costs based on the relative number of Australian aircraft in the overall fleet.
2	Diminishing Manufacturing Source (DMS) Items is a US Government managed program to address availability and obsolescence of components. Signature allowed DMS treatments to be applied for Australian supplies within the US DMS program.
3	Contract value as at 30 June 20 is based on actual expenditure to 8 May 2020 and remaining commitment at current budget exchange rates. This includes adjustments for indexation (where applicable).
4	In May 2020 the scope of the contract was expanded to include three Air Vehicles, one Main Operating Base (MOB) Mission Control Station (MCS) and one Forward Operating Base (FOB) MCS.

Contractor	Contracted Quantities as at		Scope	Notes
	Signature	30 Jun 20		
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 Station (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.	1

Major equipment accepted and quantities to 30 Jun 20

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.

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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 AIR7000-1B Second Pass approval and Australia joining the Cooperative Program.					

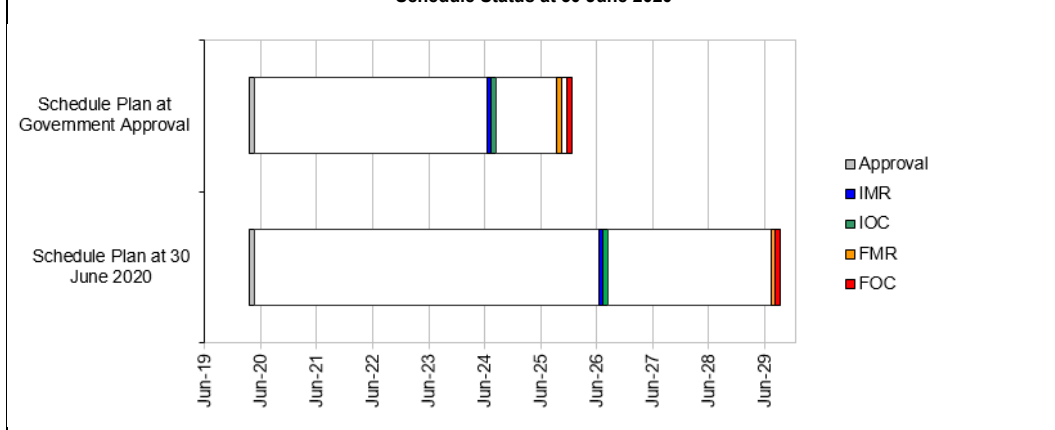
3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Contracted	Achieved/Forecast	Variance (Months)	Notes
System Integration	IFC-4.0 IOT&E	N/A	N/A	Aug 21	N/A	1
Acceptance	Delivery to Edinburgh of Main Operating Base (MOB) Mission Control System #1 (MOB MCS#1)	Oct-Dec 21	N/A	Nov 21	0	
	Commencement of crew training with the USN.	Jul – Sep 22	N/A	Jul 22	0	
	Issue of Airworthiness Instrument (UASOP).	Mar - May 23	N/A	Apr 23	0	
	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	2
Notes						
1	This is a USN and NG Systems Engineering milestone for the Incremental Functional Capability (IFC 4.0), the baseline configuration for the ADF. Project AIR7000 Phase 1B will monitor achievement of this milestone through the CP to inform Australian capability milestones. Original planned is N/A as it was agreed by USN and NG prior to AIR7000-1B Second Pass approval and Australia joining the Cooperative Program.					
2	Government is yet to approve this scope. Subject to Government approval, all 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 2023	Jan – Dec 2024	12	1
Initial Materiel Release (IMR)	May – Jul 2024	Jul 2025 – Jul 2026	12 – 24	1
Initial Operational Capability (IOC)	Jul 2024	Jul 2025 – Jul 2026	12 – 24	1
Final Materiel Release (FMR)	Aug – Oct 2025	Jul 2028 – Jul 2029	33 – 45	2
Final Operational Capability (FOC)	Dec 2025	Jul 2028 – Jul 2029	31 – 43	2
Notes				
1	In Gate 2 (Tranche 3) Government Approval, ISD was delayed by 12 months (and consequently IMR and IOC by 24 months) due to the impacts of the USN production funding pause announcement in February 2020, resulting in pause of facilities progression.			
2	Government is yet to approve this tranche of the project. Pending Government approval, FOC milestone will be updated. The current variance is due to anticipated aircraft production schedules for the aircraft which are not yet approved.			

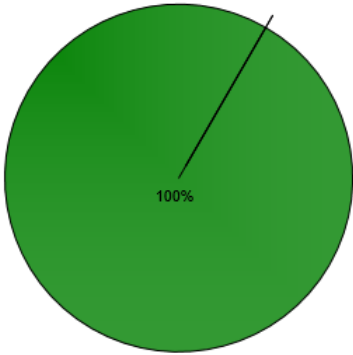
Schedule Status at 30 June 2020



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

Section 4 – Materiel Capability Delivery Performance

4.1 Measures of Materiel Capability Delivery Performance

Pie Chart: Percentage Breakdown of Materiel Capability Delivery Performance	
 <p>A pie chart consisting of a single green circle with a black outline. A thin black line extends from the center of the circle towards the top right edge. The text '100%' is printed in the center of the green circle.</p>	<p>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.</p> <p>Amber: N/A</p> <p>Red: N/A</p>
Note	
This Pie Chart 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)	<ul style="list-style-type: none"> • 2 x Triton Air Vehicles delivered to Australia. • 2 x Main Operating Base Mission Control System 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. • 5 x 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. <p>IMR is forecast to be achieved Jul 2025 – Jul 2026.</p>	Not yet achieved
Initial Operational Capability (IOC)	<p>The Triton system is able to safely sustain one orbit in the maritime surveillance role, at a rate of effort to support initial operations.</p> <p>IOC is forecast to be achieved in Jul 2025 – Jul 2026.</p>	Not yet achieved
Final Materiel Release (FMR)	<ul style="list-style-type: none"> • All Triton Air Vehicles delivered to Australia. • All Main Operating Base and Forward Operating Base Mission Control System installed and ready for use. • 1 x Forward Operating Base configured for expeditionary use. • 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. <p>FMR is forecast to be achieved Jul 2028 – Jul 2029.</p>	Not yet achieved
Final Operational Capability (FOC)	<p>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.</p> <p>FOC is forecast to be achieved in Jul 2028 – Jul 2029.</p>	Not yet achieved

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Section 5 – Major Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
<p>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.</p>	<p>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, dependent projects such as AIR555 Phase 1.</p> <p>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.</p>
<p>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.</p>	<p>The project established a Triton Airworthiness Working Group to facilitate engagement with the Defence Aviation Safety Authority and other stakeholders to ensure:</p> <p>An integrated approach to technical and operational considerations, and An Operating Permit process that is aligned with Defence Aviation Safety Regulations.</p>
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p> <p>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.</p>
<p>Satellite Communications (SATCOM) Support There is a chance that Triton's SATCOM requirements cannot be met under existing ADF agreements leading to a delay to critical capability milestones.</p>	<p>Funding has been allocated in the project budget for commercial SATCOM to supplement existing ADF SATCOM support arrangements.</p> <p>The Project Office continues to leverage the Cooperative Program to ensure the design of the system can meet Defence's technical and operational requirements in the Australian operating context.</p>
<p>Facilities Design and Construction Costs There is a chance that facilities design and construction management costs will affect the affordability of Triton facilities.</p>	<p>The project is working on early identification of Air Force facilities requirements to minimize design rework and potential scope creep.</p> <p>Estate and Infrastructure 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.</p>
Emergent Risks (risk not previously identified but has emerged during 2019–20)	
Description	Remedial Action
<p>Operational Test & Evaluation (OT&E), and Network Integration complexity There is a chance that SIE Integration testing, and OT&E, may increase in complexity if OT&E is conducted away from the Main Operating Base at RAAF Edinburgh, leading to a possible delay of MAA milestone dates for ISD and IOC.</p>	<p>Planning is being conducted to manage the complexity of initial operations with a focus on the SIE Integration and OT&E Detailed Test Planning phases.</p>

5.2 Major Project Issues

Description	Remedial Action
<p>Facilities are incomplete to achieve In Service Date In Service Date (ISD) for commencement of Triton flights in Australia is delayed by approximately 12 months due to delays in gaining Public Works Committee approval for Triton facilities.</p>	<p>Triton and MC-55 Peregrine common facilities elements have been transferred to the Peregrine project to remove inter-project dependencies and ensure the common facilities elements remain on schedule.</p> <p>A Triton facilities redesign is underway to support Public Works Committee in 2021.</p>
Note	
<p>Major risks and issues in Section 5 are excluded from the scope of the Auditor-General's Independent Assurance Report.</p>	

Section 6 – Project Maturity

6.1 Project Maturity Score and Benchmark

Maturity Score		Attributes							Total
		Schedule	Cost	Requirement	Technical Understanding	Technical Difficulty	Commercial	Operations and Support	
Project Stage	Benchmark	6	6	6	7	6	7	7	45
Preliminary Design Review	Project Status	6	7	7	6	7	7	4	44
	Explanation	<p>Project Maturity Scores reflect delivery of the approved scope in accordance with the current MAA, which will be updated in accordance with the May 2020 Government approval.</p> <ul style="list-style-type: none"> • Cost: Contracts for Australia's approved aircraft and ground systems have been awarded and the Prime Contract pricing schedule is defined. The project is achieving the approved budget and is estimated to be within provision upon completion. • Requirement: Design reviews have been progressed to provide confidence that Defence's requirements will be met. • Technical Understanding: Further work is being done to clarify the support requirements for the Triton. • Technical Difficulty: USN have completed Critical Design Review for the Integrated Functional Capability (IFC)-4 configuration. This establishes the baseline for the key elements of the IFC-4 configuration. Due to the iterative nature of the USN design process, these key elements will continue to be refined through to delivery of the configured capability.. Early Operational Capability, a USN interim milestone to IOC, was achieved Q1 2020. USN IOC is planned for Q3 2022. Australian Network Integration and Airworthiness are the primary Australian technical risks. • Operations and Support: It is early in the Triton support phase, with only two air vehicles in the USN operational fleet. The Support Procurement Strategy (SPS) is under development to consider a precinct approach to Triton support. The ISR Transition Office has been established as the primary interface to Air Force to support transition into operational service. 							

Milestone	Score
Enter DCP	13
Decide Viable Capability Options	16
1st Pass Approval	21
Industry Proposals / Offers	30
2nd Pass Approval	35
Contract Signature	42
Preliminary Design Review(s)	45
Detailed Design Review(s)	50
Complete Sys. Integ. & Test	55
Complete Acceptance Testing	57
Initial Material Release (IMR)	60
Final Material Release (FMR)	63
Final Contract Acceptance	65
MAA Closure	66
Acceptance Into Service	67
Project Completion	70

2019-20 MPR Status - - - - -

Section 7 – Lessons Learned

7.1 Key Lessons Learned

Description	Categories of Systemic Lessons
N/A	N/A

Section 8 – Project Line Management

8.1 Project Line Management as at 30 June 2020

Position	Name
Division Head	AVM Gregory Hoffman
Branch Head	AIRCDRE David Scheul
Project Director	GPCAPT Martin Nussio
Project Manager	Ms Christina Langwill

Project Data Summary Sheets

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