Australian Government
Department of Defence

Capability Acquisition and Sustainment
Quarterly Performance Report

Supplementary Reference

June 2020

Defending Australia and its National Interests
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Capability Acquisition and Sustainment
Quarterly Performance Report
Supplementary Reference

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Key Acquisition Project Dashboard

#	Project Number	Project Name	Year of Decision	ACAT Value	Materiel Capability / Scope	Materiel Schedule IOC	Materiel Schedule FOC	Cost
AIR CAPABILITIES								
Aerospace Systems					s33(a)(i) [redacted]			
1	**AIR05077PH5A**	**AEW&C Interoperability Compliance Upgrade (Project of Interest)**	2013	ACAT II		Red	Red	Green
2	AIR05349PH3	Growler Airborne Electronic Attack Capability	2013	ACAT II		Red	Green	Green
3	**AIR06000PH2AB**	**New Air Combat Capability (Project of Interest)**	2009	ACAT I		Green	Green	Green
4	**AIR07000PH1B**	**MQ-4C Triton Remotely Piloted Aircraft System (Project of Interest)**	2014	ACAT II		Green	Green	Green
5	AIR07000PH2	P-8A Maritime Patrol and Response Aircraft (MPRA) System	2014	ACAT II		Green	Green	Green
6	**AIR08000PH2**	**Battlefield Airlift - Caribou Replacement (Project of Interest)**	2012	ACAT II		Green	Red	Green
Helicopter Systems								
7	**AIR02025PH6**	**Jindalee Operational Radar Network (JORN) (Project of Interest)**	2017	ACAT II		Red	Red	Green
8	**AIR05428PH1**	**Pilot Training System (Project of Interest)**	2015	ACAT II		Green	Green	Green
9	**AIR05431PH3**	**Civil Military Air Traffic Management System (CMATS) (Project of Interest)**	2014	ACAT I		Green	Green	Green
10	**AIR09000PH2, 4 & 6**	**Multi-Role Helicopter (MRH) 90 (Project of Concern)**	2004	ACAT I		Red	Red	Green
11	AIR09000PH8	Future Naval Aviation Combat System (MH-60R) Seahawk Romeo	2011	ACAT II		Green	Green	Green
12	JNT00090PH1	ADF Identification Friend or Foe and Automatic Dependant Surveillance - Broadcast	2016	ACAT II		Green	Green	Green
JOINT CAPABILITIES								
Joint Systems								
13	**JNT02008PH5A**	**UHF SATCOM (Program of Interest)**	2009	ACAT II		Green	Red	Green
14	**JNT02008PH5B2**	**Satellite Ground Station - East and Wideband SATCOM Network Management (Program of Interest)**	2017	ACAT III		Green	Green	Green
15	JNT02072PH2B	Battlespace Communications System (Land) [BCS(L)]	2015	ACAT I		Red	Red	Green
16	**LND0200PH2A**	**Battle Command Systems (Tranche 2) (Project of Interest)**	2017	ACAT I		Red	Red	Green
17	SEA01442PH4	Maritime Communications Modernisation	2013	ACAT II		Green	Red	Green
LAND CAPABILITIES								
Land Systems								
18	LND00053PH1BR	Night Fighting Equipment Replacement	2016	ACAT III		Green	Green	Green
19	LND00121PH3B	Medium and Heavy Capability	2007	ACAT I		Green	Green	Green
20	**LND00121PH4**	**Protected Mobility Vehicle - Light (PMV-L) (Project of Interest)**	2015	ACAT I		Green	Green	Green
21	LND00121PH5	Tactical Training Vehicles	2018	ACAT I		Green	Green	Green
Armoured Vehicles								
22	LND00400PH2	Mounted Combat Reconnaissance Capability (MCRC)	2018	ACAT I		Green	Green	Green
MARITIME CAPABILITIES								
Maritime Systems								
No Top 30 or MPR Projects								
Ships								
23	SEA01180PH1	Offshore Patrol Vessel	2017	ACAT II		Green	Green	Green
24	SEA01448PH4B	ANZAC Air Search Radar Replacement	2017	ACAT II		Red	Green	Green
25	**SEA01654PH3**	**Maritime Operational Support Capability (Project of Interest)**	2016	ACAT II		Red	Green	Green
26	SEA03036PH1	Pacific Patrol Boat Replacement	2016	ACAT II		Red	Green	Green
27	SEA04000PH3	Air Warfare Destroyer Program	2007	ACAT I		Green	Green	Green
28	**SEA05000PH1**	**Future Frigate - Design and Construction (Project of Interest)**	2018	ACAT I		Not Rated	Not Rated	Green
Submarines								
29	SEA01000PH1B	Future Submarine Design and Construction - Program Design and Mobilisation stage	2019	ACAT I		Not Rated	Not Rated	Green
30	**SEA01354PH1**	**Submarine Escape Rescue and Abandonment System (SERAS) (Project of Interest)**	2018	ACAT III		Red	Red	Amber
31	SEA01439PH3	Collins Submarine Platform Systems Improvements (Collins Reliability and Sustainability)	2000	ACAT III		Green	Green	Green
32	SEA01439PH5B2	Collins Class Communications and Electronic Warfare Improvement Program	2015	ACAT II		Red	Green	Green
33	SEA01439PH6	Collins Sonar Capability Assurance Program	2018	ACAT II		Green	Green	Green

Introduction

This supplementary reference supports the latest CAS Quarterly Performance Report for the period ending 30 June 2020. Use this supplementary detail as a point of reference throughout the quarter.

This report includes two sections as described below:

- Section 1 - The current cost, schedule and capability status for Key Acquisition Projects which encompasses the Portfolio Budget Statements 2019/20 Top 30 projects and the Major Projects Report projects. These projects represent 70.5% of the total Major Capital Equipment acquisition program approved budget.
- Section 2 - The current cost and availability status for the Portfolio Budget Statements 2019/20 Top 30 sustainment products. These products represent 71% of the sustainment program budget.

Section 1 - Performance Summaries for Key Acquisition Projects

AIR CAPABILITIES

Aerospace Systems

AIR05077PH5A	AEW&C Interoperability Compliance Upgrade	ACAT II

PROJECT OF INTEREST - See Quarterly Performance Report (QPR) Section 3.1 for detailed analysis. First included in the QPR: December 2018

1

Year of Decision: 2013

Capability, Schedule & Cost Comment:	s33(a)(i) [redacted]
Capability Performance:	[redacted]
Schedule Performance:	[redacted]
Cost Performance:	[redacted]
Australian Industry Capability (AIC):	Boeing Defence Australia is achieving consistent with the profile approved in the Australian Industry Capability Plan. As of 30 June 2020, the cumulative Australian Industry Capability investment to date is s47G [redacted] of the total planned value of s47G [redacted].
Div Head Comments:	The project remains affordable with contingency. It has achieved Initial Materiel Release s33(a)(i), s33(a)(iii) [redacted]

Key	Current Project Approval ($m):	1,196	Expenditure to Date ($m):	768	**CAPABILITY**	**IOC**	**FOC**	**COST**
BL: Baseline	Original Materiel Acquisition Agreement Date:	02/10/2013	Latest Materiel Acquisition Agreement Amendment:	07/01/2019	s33(a)(i) [redacted]	Red	Red	Green
FC: Forecast	AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Jul-2019	BL: Jun-2022	
AA: Actual	Division Head Name:	AVM Gregory Hoffmann	Division Head Mobile Number:	s47F [redacted]		s33(a)(i) [redacted]		

AIR05349PH3	Growler Airborne Electronic Attack Capability	ACAT II

2

Year of Decision: 2013

Capability, Schedule & Cost Comment:	AIR05349 Phase 3 is on track to deliver a US Navy common Airborne Electronic Attack Capability. All aircraft have been delivered, s33(a)(i) [redacted] There are some delays to interim capability milestones. Air Force advice is that interim milestone capability impacts are tolerable given implemented mitigations. Cost is within approved budget. Chief of Air Force declared Initial Operational Capability in April 2019.
Capability Performance:	The project is delivering a US Navy common Airborne Electronic Attack capability based on EA-18G Growler aircraft. Transition of residual acquisition outcomes to sustainment is well advanced. Pressures upon capability at intermediate milestones are being managed. All aircraft were delivered ahead of schedule, s33(a)(i) [redacted]
Schedule Performance:	s33(a)(i) [redacted]
Cost Performance:	Cost is within the approved budget. A large proportion of the planned project expenditure has been achieved with the completion of aircraft acceptance activities. The Foreign Military Sales support case activities remaining include the Mobile Training Threat Emitter System, aircrew training and weapons acquisition. The project continues to manage to within the required targets for Annual Financial Performance.
Australian Industry Capability (AIC):	s33(a)(i) [redacted]
Div Head Comments:	s33(a)(i) [redacted]

Key	Current Project Approval ($m):	3,506	Expenditure to Date ($m):	2,589	**CAPABILITY**	**IOC**	**FOC**	**COST**
BL: Baseline	Original Materiel Acquisition Agreement Date:	20/11/2012	Latest Materiel Acquisition Agreement Amendment:	31/07/2018	s33(a)(i) [redacted]	Red	Green	Green
FC: Forecast	AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Jul-2018	BL: Jul-2022	
AA: Actual	Division Head Name:	AVM Gregory Hoffmann	Division Head Mobile Number:	s47F [redacted]		AA: Apr-2019	FC: Aug-2022	

Section 1 - Performance Summaries for Key Acquisition Projects

AIR06000PH2AB	New Air Combat Capability	ACAT I

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: June 2017.

3

Capability, Schedule & Cost Comment: s33(a)(i) [redacted]

Capability Performance: [redacted]

Schedule Performance: [redacted]

Cost Performance: s47G [redacted]

Australian Industry Capability (AIC): The majority of F-35 contracts are with the F-35 Joint Program Office (JPO), which then manages contracts on behalf of the cooperative program. The actual benefit to Australian Industry is higher than AIC figures from the project ledger suggest, as the F-35 JPO has placed a number of contracts with Australian providers. Australian industry has been awarded over $1.7b worth of work in support of the F-35 program and this is increasing as sustainment contracts commence.

Div Head Comments: s33(a)(i) [redacted] s47G [redacted]

Year of Decision: 2009

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	16,631	Expenditure to Date ($m):	6,550
Original Materiel Acquisition Agreement Date:	15/01/2010	Latest Materiel Acquisition Agreement Amendment:	13/02/201
AIC Distribution (%): Aus %:	s33(a)(i) [redacted]	Overseas %:	s33(a)(i) [redacted]
Division Head Name:	AVM Gregory Hoffmann	Division Head Mobile Number:	s47F [redacted]

s33(a)(i) [redacted]

IOC	FOC	COST
Green	Green	Green
BL: Dec-2020	BL: Dec-2023	
FC: Dec-2020	FC: Dec-2023	

AIR07000PH1B	MQ-4C Triton Remotely Piloted Aircraft System	ACAT II

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: March 2020.

4

Capability, Schedule & Cost Comment: s33(a)(i) [redacted] as a result of the May 2020 Government Approval of a third Triton Air Vehicle. Following the Government decision, all three approved air vehicles have been placed on contract. s33(a)(i) [redacted]

Capability Performance: The May 2020 Government approval [redacted]

Schedule Performance: s33(a)(i) [redacted] following Government decision in May 2020. s33(a)(i) [redacted]

Cost Performance: The project is affordable within the approved budget, although cost risk remains until the s33(a)(i) [redacted] The project broadly met the year-end budget with an approximately eight per cent underspend. The Government approval in May 2020 allowed s47G [redacted] which contributed to the budget achievement.

Australian Industry Capability (AIC): The Triton capability is being delivered through a Cooperative Program with the United States Navy. Australian Industry involvement in the project will be through Major Service Providers and in the areas of facilities construction in RAAF Bases Edinburgh and Tindal and ICT integration activities. Future Australian industry engagement is expected via the s47E(d) [redacted]

Div Head Comments: s33(a)(i) [redacted]

Year of Decision: 2014

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	1,311	Expenditure to Date ($m):	338
Original Materiel Acquisition Agreement Date:	31/08/2006	Latest Materiel Acquisition Agreement Amendment:	27/11/2019
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	AVM Gregory Hoffmann	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green	Green	Green
	BL: Jul-2024	BL: Dec-2026	
	FC: Jul-2024	FC: Dec-2026	

Section 1 - Performance Summaries for Key Acquisition Projects

	AIR07000PH2	P-8A Maritime Patrol and Response Aircraft (MPRA) System	ACAT II
5			
	Capability, Schedule & Cost Comment:	The project is forecast to deliver the capability within approved schedule and budget, without access to contingency. Whilst COVID-19 travel restrictions have delayed some capability upgrades, they are not expected to impact the schedule to achieve Final Materiel Release/Final Operational Capability.	
	Capability Performance:	All capability aspects are forecast to be delivered as per Government Approval; s33(a)(i) [redacted].	
	Schedule Performance:	Planning future updates to P-8A Aircraft, Mission Support and Training Systems continued, with the capability on track to support Final Materiel Release and Final Operational Capability in June 2022 as per Government Approval. Facilities continue to be delivered at the Main and Forward Operating Bases in support of Final Operational Capability. s33(a)(i) [redacted] These delays are not expected to impact delivery of Final Materiel Release or Final Operational Capability.	
	Cost Performance:	The project is forecast to deliver under the approved budget with savings available to be reprogrammed to support delivery of the broader Maritime Patrol and Response Program. The outcome of a Defence initiated MPR Program cost review currently underway will support Government consideration of the Program in November 2020. The project supported a significant year-end underspend in order to meet Portfolio outcomes. This underspend has placed additional pressure on the Financial Year 2020/21 budget.	
	Australian Industry Capability (AIC):	P-8A capability is being delivered through a Cooperative Program with the United States Navy, which has executed contracts on behalf of Australia via the Cooperative Program. AIC involvement in the project comprises services to integrate the P-8 capability into the Australian Information Communications Technology environment and professional services supporting delivery of the project.	
	Year of Decision: 2014	**Div Head Comments:**	The project is on track to deliver all elements of capability within the approved budget with savings available to be reprogrammed across the Maritime Patrol and Response Program.

Current Project Approval ($m):	5,363	Expenditure to Date ($m):	4,124	**CAPABILITY**	**IOC**	**FOC**	**COST**
Original Materiel Acquisition Agreement Date:	27/07/2007	Latest Materiel Acquisition Agreement Amendment:	21/09/2018	s33(a)(i) [redacted]	Green	Green	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Jan-2018	BL: Jun-2022	
Division Head Name:	AVM Gregory Hoffmann	Division Head Mobile Number:	s47F [redacted]		AA: Jan-2018	FC: Jun-2022	

Key
BL: Baseline
FC: Forecast
AA: Actual

	AIR08000PH2	Battlefield Airlift - Caribou Replacement	ACAT II
	PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: March 2020.		
6			
	Capability, Schedule & Cost Comment:	Final Operating Capability was not declared in December 19. s33(a)(i) [redacted] has commenced and a Military Type Certificate has now been issued. Residual capability elements are well understood by the capability manager, s33(a)(i) [redacted]	
	Capability Performance:	The project declared Initial Operational Capability in December 2016. All ten aircraft and role equipment were delivered by December 2019. One element is preventing the declaration of Final Operational Capability; the s33(a)(i) [redacted] A Military Type Certificate has been issued in June 2020. Defence is reviewing the s33(a)(i) [redacted].	
	Schedule Performance:	A Military Type Certificate was issued in June 2020 - a major milestone and part of the current Final Operational Capability definition. s33(a)(i), s47G [redacted]	
	Cost Performance:	The project is still determining high fidelity costs for a s33(a)(i) [redacted]	
	Australian Industry Capability (AIC):	A majority of acquisition activity is through overseas suppliers. The aircraft were acquired through United States Air Force Foreign Military Sales. A partnering arrangement with Leonardo S.p.A (Italy) provides services for certification and aircraft modification. AIC is focused on installation and support to training activities at RAAF Amberley QLD.	
	Year of Decision: 2012	**Div Head Comments:**	This project is a project of interest due to failure to deliver Final Operational Capability in December 2019. I note the major achievement of Military Type Certification in June 2020; the result of many years of effort across the Capability Acquisition and Sustainment Group, Air Force, and Industry. I also note that Defence is considering the s33(a)(i) [redacted]

Current Project Approval ($m):	1,439	Expenditure to Date ($m):	906	**CAPABILITY**	**IOC**	**FOC**	**COST**
Original Materiel Acquisition Agreement Date:	15/06/2012	Latest Materiel Acquisition Agreement Amendment:	20/02/2018	s33(a)(i) [redacted]	Green	Red	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Dec-2016	BL: Dec-2019	
Division Head Name:	AVM Gregory Hoffmann	Division Head Mobile Number:	s47F [redacted]		AA: Dec-2016	s33(a)(i) [redacted]	

Key
BL: Baseline
FC: Forecast
AA: Actual

Section 1 - Performance Summaries for Key Acquisition Projects

Helicopter Systems

AIR02025PH6	Jindalee Operational Radar Network (JORN)	ACAT II

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: September 2019.

7

Capability, Schedule & Cost Comment: Despite delays to Initial Operational Capability and Final Operational Capability being anticipated s33(a)(i), s47G [redacted] Project execution continues with an agreed plan for 2020 activities. The Project Office is preparing to negotiate contract changes to complement the establishment of a new delivery strategy and s47G [redacted]. Collaborative work with BAE Systems Australia continues to translate the delivery strategy into an executable plan.

Capability Performance: BAE Systems Australia has experienced s47G [redacted] Defence and Industry are currently planning a delivery strategy that utilises s33(a)(i) [redacted]

Schedule Performance: Project execution continues with an agreed plan for 2020 activities. Defence and BAE Systems Australia continued engagement with Independent Reviewers and senior stakeholders on the reprogramming delivery strategy. The Project Office is developing a plan to lead changes to the contract to complement the new delivery strategy, addressing s47G [redacted] Collaborative work with BAE Systems Australia continues to translate the delivery strategy into an executable plan.

Cost Performance: s47E(d) [redacted]

Australian Industry Capability (AIC): Through JORN, Commonwealth is delivering an Australian program that draws on the best of Australian industry and academia to provide opportunities for domestic Small to Medium Enterprises (SMEs) while ensuring the Australian Government maintains full control of the JORN network.

Div Head Comments: The Program continues to progress with capability delivery. Both the Project Team and BAE Systems Australia have a clear focus o s47E(d) [redacted]

Year of Decision: 2017

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	1,129	Expenditure to Date ($m):	132
Original Materiel Acquisition Agreement Date:	02/11/2015	Latest Materiel Acquisition Agreement Amendment:	24/04/2018
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Red	Red	Green
	BL: Apr-2024	BL: Jan-2029	
	FC: Oct-2025	FC: Jul-2030	

AIR05428PH1	Pilot Training System	ACAT II

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: September 2017.

8

Capability, Schedule & Cost Comment: Overarching capability requirements expected to be met. Delays in Simulators and Courseware are continuing to be addressed. Phase 1 & Flying Instructor Course commenced on schedule. Initial Operational Capability (Initial Operational Capability) requirements have been met. Delays in schedule and associated cost impacts due to COVID-19 and insufficient System maturity remain possible.

Capability Performance: Pilot Training System training has started, however previous delays in Courseware and Simulator maturity have impacted Pilot Training System throughput to-date. s47G, s33(a)(i) [redacted] Based on progress for remaining verification & validation activities and COVID-19 impacts, schedule risks exists s33(a)(i) [redacted]

Schedule Performance: Training continues as scheduled. Courseware remediation is progressing with courseware elements (Phase 1 & Phase 2 basic Pilot Training courses and Flying Instructors Courses) continuing to improve through to s33(a)(i), s47G [redacted]

Cost Performance: In Financial Year 2019/20, the Project has identified a s47E(d), s47G [redacted]

Australian Industry Capability (AIC): Lockheed Martin Australia has significantly exceeded the LIA value (AUD) of $22.65m committed to in the approved Australian Industry Content Plan. The cumulative value Achieved (AUD) is currently s47G [redacted] This is likely to continue to increase to Final Acceptance.

Div Head Comments: Training continues to be delivered on schedule. A far more collaborative approach is emerging across the enterprise that is assisting in the remediation and maturation of he system. There remains concern s33(a)(i) [redacted]. This aspect is being carefully examined leading up to Final Acceptance. The budget outcome at year end is understood and well managed.

Year of Decision 2015

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	1,261	Expenditure to Date ($m):	975
Original Materiel Acquisition Agreement Date:	09/11/2009	Latest Materiel Acquisition Agreement Amendment:	23/07/2019
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green	Green	Green
	BL: Mar-2019	BL: Dec-2021	
	AA: Jul-2020	FC: Dec-2021	

Section 1 - Performance Summaries for Key Acquisition Projects

AIR05431PH3	Civil Military Air Traffic Management System (CMATS)	ACAT I

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: June 2018.

9

Capability, Schedule & Cost Comment: The project is on track to deliver the required capability to the latest schedule advised to Government, with s33(a)(i) [redacted]

Capability Performance: System build for the Defence Civil Military Air Traffic Management System Initial Operational Capability version is progressing well and is expected to satisfy Defence requirements, but actions s33(a)(i) [redacted] The project office is working to add s33(a)(i) [redacted]. The capability provided by the four alternative towers delivered by Air Services is being assessed.

Schedule Performance: s47G [redacted]

Cost Performance: Civil Military Air Traffic Management System payments are consistent with the agreed payment profile in s47E(d), s47G [redacted] as part of the 2019-20 Additional Estimates process it was agreed that the Financial Year 2019/20 s47G [redacted] This payment was brought back into Financial Year 2019/20 to mitigate emerging underspends.

Australian Industry Capability (AIC): s47G [redacted]

Div Head Comments: The s33(a)(i) [redacted] The progress on the four Alternate Towers and associated concerns are noted. The site installation work will require Focus and engagement with relevant bases to ensure schedule is maintained.

Year of Decision: 2012

Current Project Approval ($m):	976	Expenditure to Date ($m):	352	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	16/12/2014	Latest Materiel Acquisition Agreement Amendment:	29/04/202	s33(a)(i) [redacted]	Green	Green	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Jun-2023	BL: Apr-2026	
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:			FC: Jul-2023	FC: Apr-2026	

Key
BL: Baseline
FC: Forecast
AA: Actual

AIR09000PH2, 4 & 6	Multi-Role Helicopter (MRH) 90	ACAT I

PROJECT OF CONCERN - see Quarterly Performance Report Section 2.1 for detailed Project of Concern report. First included on PoC list: November 2011.

10

Capability, Schedule & Cost Comment: Schedule remains at some risk due to the relative number and complexity of the supplies required for Final Materiel Release. Final Materiel Release has been rebaselined with a forecast achievement date of s33(a)(i) [redacted] based on delivery dates for remaining supplies s33(a)(i) [redacted] To date vendors and the Original Equipment Manufacturer in Europe have experienced limited schedule impacts due to COVID-19 Government restrictions, primarily freight and travel delays.

Capability Performance: Enhanced Cargo Hook System Service Release is expected in Quarter 3 2020 s33(a)(i) [redacted] COVID-19 Impacts to schedules to date has been limited primarily to freight delays.

Schedule Performance: Schedule remains at risk due to the complexity of the supplies to be delivered to achieve Final Materiel Release. Enhanced Cargo Hook System Service Release is scheduled for Quarter 3 2020, s33(a)(i) [redacted] Common Mission Management System implementation has continued successfully. s33(a)(i) [redacted]. The Taipan Gun Mount schedule is being closely monitored s33(a)(i) [redacted]

Cost Performance: s33(a)(i) [redacted]

Australian Industry Capability (AIC): Established Australian Industry Capability (Local Industry Participation): Airbus Australia Pacific (Airbus) is the prime contractor for the MRH90 Taipan Helicopters. Airbus and the following in-country subcontractors are the prime local industry participants: Thales Australia, Sagem Australia and MTR (MTU Turbomeca Rolls-Royce), and TAA (Turbomeca Australasia). Airbus Australia Pacific are continually negotiating further improvement in this area, in accordance with the MRH90 Sustainment Contract Local Industry Plan.

Div Head Comments: The schedule risk is acknowledged around a complex set of deliverables remaining in the project. s33(a)(i) [redacted] The project is working with Industry to mitigate schedule delays and the impact of COVID-19.

Year of Decision 2004

Current Project Approval ($m):	3,774	Expenditure to Date ($m):	3,322	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	01/06/2005	Latest Materiel Acquisition Agreement Amendment:	09/07/2019	s33(a)(i) [redacted]	Red	Red	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		L: Dec-2014	BL: Jul-2019	
Division Head Name:	Shane Fairweather	Division Head Mobile Number:	s47F [redacted]		A: Feb-2015	FC: Dec-2021	

Key
BL: Baseline
FC: Forecast
AA: Actual

Section 1 - Performance Summaries for Key Acquisition Projects

AIR09000PH8	Future Naval Aviation Combat System (MH-60R) Seahawk Romeo	ACAT II

11

Capability, Schedule & Cost Comment:	The project remains on schedule to deliver the required capability within the approved Materiel Acquisition Agreement. The Project remains within the approved budget. The delivery, set to work and updates of training devices will proceed within the emerging constraints of COVID-19.
Capability Performance:	The MH-60R project is on schedule to deliver the capability approved at Second Pass.
Schedule Performance:	The Resident Team in the United States of America and the Project Office continue to manage the ongoing upgrades to the MH-60R training devices to incorporate the latest System Configuration updates.
Cost Performance:	AIR09000 Phase 8 Financial Year 2019/20 underspend of s33(a)(i) [redacted]
Australian Industry Capability (AIC):	Australian Industry Capability content is s33(a)(i) [redacted] Australian and s33(a)(i) [redacted] overseas. The Overseas portion is primarily related to Foreign Military Sales with the United States Navy. The Romeo Project Office Australian Industry Capability has created approximately 220 permanent Australian jobs with the majority in the Shoalhaven region of New South Wales. Defence and the United States Navy are continuing to work with Australian small and medium businesses to identify further opportunities to contribute to the Romeo global supply chain.
Div Head Comments:	The budget under spend is well understood and has been mitigated to the maximum extent possible. The delivery and set to work of the training devices will proceed within the emerging constraints of COVID-19. This remains a well run program delivering reliable outcomes.

Year of Decision 2011

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	3,219	Expenditure to Date ($m):	2,413
Original Materiel Acquisition Agreement Date:	10/07/2009	Latest Materiel Acquisition Agreement Amendment:	23/02/2018
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	Shane Fairweather	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: Sep-2015 AA: Sep-2015	Green BL: Dec-2023 FC: Dec-2023	Green

JNT00090PH1	ADF Identification Friend or Foe and Automatic Dependant Surveillance - Broadcast	ACAT II

12

Capability, Schedule & Cost Comment:	s33(a)(i) [redacted]
Capability Performance:	All platforms are expected to reach the required level of capability.
Schedule Performance:	s33(a)(i) [redacted]
Cost Performance:	The forecast overspend is the result of the latest Budget Estimates exercise, s47G [redacted] The Project completion date remains unchanged and the project will be completed well within the approved budget.
Australian Industry Capability (AIC):	JNT00090PH1 has sought to maximise Australian Industry involvement In the IFF upgrades to its platforms through the establishment of contracts with Australia. s47G, s33(a)(i) [redacted]
Div Head Comments:	There has been significant good progress on this complex project.

Year of Decision: 2016

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	435	Expenditure to Date ($m):	212
Original Materiel Acquisition Agreement Date:	24/04/2012	Latest Materiel Acquisition Agreement Amendment:	12/06/2018
AIC Distribution (%): Aus %:	s33(a)(i) [redacted]	Overseas %:	s33(a)(i) [redacted]
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: Sep-2019 s33(a)(i) [redacted]	Green BL: Jun-2022 s33(a)(i) [redacted]	Green

Section 1 - Performance Summaries for Key Acquisition Projects

JOINT CAPABILITIES

Joint Systems

JNT02008PH5A	UHF SATCOM	ACAT II

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: March 2017. Reporting as a Multi-phase Project of Interest since March 2019

13

Capability, Schedule & Cost Comment: The majority of the capability has been delivered. s33(a)(i) [redacted] Final Operational Capability forecast of Quarter 4 2021 remains on-track. The project is expected to be delivered within budget.

Capability Performance: s33(a)(i) [redacted]

Schedule Performance: s33(a)(i) [redacted] COVID-19 restrictions continue to challenge the project teams both in Australia and the United States located with the Prime Contractor.

Cost Performance: Payments relating to s47G, s33(a)(i) [redacted] Further, th s47G, s47E(d) [redacted]

Australian Industry Capability (AIC): The project is on track to achieve Australian Industry Capability commitments. The majority of the systems, s33(a)(i) [redacted] Australian Industry Capability elements include s33(a)(i) [redacted]

Div Head Comments: Project is largely progressing to the revised schedule. Minor delays in the finalisation of technical data were encountered due to COVID-19; however, these delays are not expected to significantly affect s33(a)(i) [redacted]. Final Operational Capability remains as forecast in 2021.

Year of Decision: 2009

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	422	Expenditure to Date ($m):	376	s33(a)(i) [redacted]	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	08/04/2009	Latest Materiel Acquisition Agreement Amendment:	02/07/2014		Green	Red	Green
AIC Distribution (%): Aus %:	s47G	Overseas %:	s47G		BL: Jul-2012	BL: Jun-2018	
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		AA: Jul-2012	FC: Dec-2021	

JNT02008PH5B2	Satellite Ground Station - East and Wideband SATCOM Network Management	ACAT III

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. Reporting as a Multi-phase Project of Interest since March 2019.

14

Capability, Schedule & Cost Comment: The project is on track to deliver the full capability required. s33(a)(i) [redacted]

Capability Performance: [redacted]

Schedule Performance: [redacted]

Cost Performance: The current budget is sufficient to deliver project outcomes and full achievement of expenditure is expected.

Australian Industry Capability (AIC): The project will deliver its Australian Industry Capability commitments. The core elements of th s33(a)(i) [redacted]

Div Head Comments: The impact of COVID-19 international and cross-border travel on performance continues to be closely monitored. The Project is working with the s33(a)(i) [redacted]

Year of Decision: 2017

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	235	Expenditure to Date ($m):	172	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	28/02/2012	Latest Materiel Acquisition Agreement Amendment:	23/10/2018	s33(a)(i) [redacted]	Green	Green	Green
AIC Distribution (%): Aus %:	s47G, s33	Overseas %:	s47G, s33		BL: Jun-2021	BL: Jun-2022	
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		FC: Jun-2021	s33(a)(i) [redacted]	

Section 1 - Performance Summaries for Key Acquisition Projects

JNT02072PH2B	Battlespace Communications System (Land) [BCS(L)]	ACAT I

15

Capability, Schedule & Cost Comment: Project is on track for delivery of the capability elements contracted to Boeing Defence Australia. s33(a)(i), s47E(d), s47G [redacted]

Capability Performance: s33(a)(i) [redacted] There are no anticipated risks that would result in the contracted capability not being delivered.

Schedule Performance: s33(a)(i), s47G [redacted]

Cost Performance: s47G, s47E(d) [redacted] Costs are expected to remain within the Government approved budget inclusive of contingency.

Australian Industry Capability (AIC): s33(a)(i) [redacted]

Div Head Comments: s47E(d) [redacted]

Year of Decision: 2015

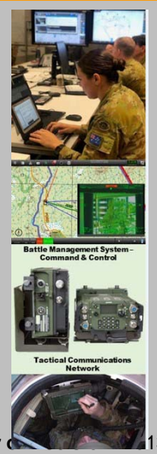
Current Project Approval ($m):	947	Expenditure to Date ($m):	678	CAPABILITY	IOC: Red; FOC: Red
Original Materiel Acquisition Agreement Date:	22/08/2011	Latest Materiel Acquisition Agreement Amendment:	11/07/2019	s33(a)(i) [redacted]	BL: Sep-2017; AA: Mar-2018; BL: Sep-2020; FC: Sep-2022
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		COST: Green
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

Key
BL: Baseline
FC: Forecast
AA: Actual

LND0200PH2	Land200 Tranche2 Battlefield Command System	ACAT I

PROJECT OF INTEREST - see Quarterly Performance Report (QPR) Section 3.1 for detailed analysis.

16



Capability, Schedule & Cost Comment: s33(a)(i) [redacted]

Capability Performance: s33(a)(i) [redacted]

Schedule Performance: s47G, s33(a)(i) [redacted]

Cost Performance: s47G [redacted] The program remains affordable.

Australian Industry Capability (AIC): s47G [redacted]

Div Head Comments: s33(a)(i) [redacted]

Year of Decision: 2013

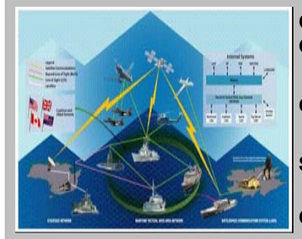
Current Project Approval ($m):	970	Expenditure to Date ($m):	572	CAPABILITY	IOC: Red; FOC: Red
Original Materiel Acquisition Agreement Date:	07/05/2018	Latest Materiel Acquisition Agreement Amendment:	07/05/2018	s33(a)(i) [redacted]	BL: Sep-2021; BL: Jun-2022
AIC Distribution (%): Aus %:	s47G, s33(a) [redacted]	Overseas %:	s47G, s33 [redacted]		COST: Green
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]	s33(a)(i), s47E(d) [redacted]	

Key
BL: Baseline
FC: Forecast
AA: Actual

Section 1 - Performance Summaries for Key Acquisition Projects

SEA01442PH4	Maritime Communications Modernisation	ACAT II

17



Capability, Schedule & Cost Comment: Project scope and requirements are stable and defined. s33(a)(i) [redacted] The available funding is sufficient to achieve the required capability. The project processed a Materiel Acquisition Agreement change in May 2020 to align with the revised ANZAC Mid-Life Capability Assurance Plan schedule. s33(a)(i) [redacted]

Capability Performance: No capability issues exist at this stage. The full scope of the Project is expected to be delivered.

Schedule Performance: s33(a)(i) [redacted]

Cost Performance: The scope of the Project is expected to be delivered within budget.

Australian Industry Capability (AIC): s47G [redacted]

Div Head Comments: Project performance and status noted. s33(a)(i) [redacted] Potential impacts of COVID-19 cross-border and international travel restrictions continue to be closely monitored.

Year of Decision: 2013

Current Project Approval ($m):	444	Expenditure to Date ($m):	213	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	24/01/2011	Latest Materiel Acquisition Agreement Amendment:	13/05/2020	s33(a)(i) [redacted]	Green	Red	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Mar-2021	BL: Dec-2023	
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		FC: Jan-2021	FC: Apr-2025	

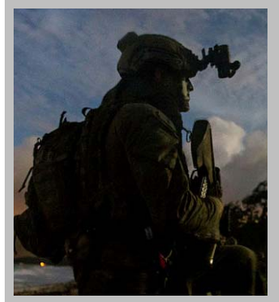
Key
BL: Baseline
FC: Forecast
AA: Actual

LAND CAPABILITIES

Land Systems

LND00053PH1BR	Night Fighting Equipment Replacement	ACAT III

18



Capability, Schedule & Cost Comment: The Capability Acquisition and Sustainment Group is delivering dismounted night fighting equipment which increases the Australian Defence Force night fighting capability. The project remains on schedule and within the overall budget.

Capability Performance: The Capability Manager has s47C [redacted] The changes are achievable within budget and schedule, with relevant approvals being sought.

Schedule Performance: s33(a)(i) [redacted]

Cost Performance: Cost Performance has been impacted by the COVID-19 pandemic. Assuming s47E(d) [redacted] adjustment for foreign exchange variation, a minor underspend (-$0.7m) at Year End will reflect lower than expected demand for consumables and support services.

Australian Industry Capability (AIC): The project is acquiring specialist equipment that is manufactured overseas. The Australian Industry Capability reflects the establishment of a specialist warehousing and maintenance services centre in South East Queensland, which employs seven full time staff. It is expected that the overall Australian Industry Capability percentage will increase over time in proportion with the operation of the support arrangement.

Div Head Comments: Land 53 Phase 1BR is delivering the agreed capability on schedule and within the overall budget. s33(a)(i) [redacted] s47E(d) [redacted]

Year of Decision: 2017

Current Project Approval ($m):	447	Expenditure to Date ($m):	287	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	05/02/2014	Latest Materiel Acquisition Agreement Amendment:	30/08/2018	s33(a)(i) [redacted]	Green	Green	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Nov-2018	BL: Sep-2023	
Division Head Name:	MAJGEN Andrew Bottrell	Division Head Mobile Number:	s47F [redacted]		AA: Dec-2018	FC: Sep-2023	

Key
BL: Baseline
FC: Forecast
AA: Actual

Section 1 - Performance Summaries for Key Acquisition Projects

LND00121PH3B	Medium and Heavy Capability	ACAT I

19

Capability, Schedule & Cost Comment:	COVID-19 impacts on achieving the s33(a)(i), s47G [redacted] The Project Office remains on track to deliver against the approved budget and schedule.
Capability Performance:	Activities supporting s33(a)(i) [redacted] are progressing. COVID-19 impacts on achieving this milestone as scheduled continue to be assessed with Army, Rheinmetall and Haulmark. Mitigations to minimise the impact of s33(a)(i) [redacted] being assessed.
Schedule Performance:	Integrated Project Team and Project Management Steering Group meetings were conducted on 3 June and 23 June 2020 respectively. The Project supported a s47G, s33(a)(i) [redacted]
Cost Performance:	The year to date variation is due to the achievement of several milestones ahead of that planned. All invoices have been received and processed.
Australian Industry Capability (AIC):	Overall, Australian industry involvement in the project will be no less than 35 per cent of the total original acquisition contract value. Rheinmetall MAN Military Vehicles Australia has teamed with a number of Australian subcontractors to achieve a local contract content value of approximately s47G [redacted]. Haulmark Trailers (Australia) is undertaking a number of activities including design, development, manufacture and integration to achieve a local contract content value of approximately s47G [redacted]. Other components that contribute to the overall Project Australian Industry Capability percentage include facilities, contractor services and the simulation training system. This will raise the overall Australian industry content to over s47G [redacted].
Div Head Comments:	The Project continues to work closely with Rheinmetall, providing required support to minimise the impact of COVID19 on the Project's schedule. The rework program was suspended in South Australia, Victoria, New South Wales and Western Australia due to travel restrictions. s47E(d), s47D [redacted].

Year of Decision: 2016

Current Project Approval ($m):	3,399	Expenditure to Date ($m):	2,519	**CAPABILITY**	**IOC**	**FOC**	**COST**
Original Materiel Acquisition Agreement Date:	15/06/2012	Latest Materiel Acquisition Agreement Amendment:	03/06/2018	s33(a)(i) [redacted]	Green	Green	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Dec-2019	BL: Dec-2023	
Division Head Name:	MAJGEN Andrew Bottrell	Division Head Mobile Number:	s47F [redacted]		AA: Dec-2019	FC: Dec-2023	

Key
BL: Baseline
FC: Forecast
AA: Actual

LND00121PH4	Protected Mobility Vehicle - Light (PMV-L)	ACAT I

PROJECT OF INTEREST - see Quarterly Performance Report (QPR) Section 3.1 for detailed analysis. First included in QPR: December 2018.

20

Capability, Schedule & Cost Comment:	The rollout of 35 Hawkei mission systems to Army's 3rd Brigade in Townsville was finalised. The Production Reliability Acceptance Test was finalised with the Hawkei achieving the contracted level of reliability. The Project is now working with Thales to finalise the design baseline, including residual reliability issues, to enable entry into Full-Rate Production. The Project had a s47E(d), s47G [redacted] and COVID-19 impacts.
Capability Performance:	All 35 of the required Hawkei missions systems have been delivered to the 3rd Brigade in Townsville. Detailed planning with Army continues for the conduct of s33(a)(i) [redacted] and the Hawkei roll-out to the 7th Brigade in Brisbane. Hawkei Operator and Maintainer Introduction into Service Training remains on hold due to COVID-19 restrictions.
Schedule Performance:	The Hawkei Production Reliability Acceptance Test incident scoring and maintainability assessment was finalised during the reporting period. Thales successfully completed Support System Detailed Design Review on 19 June 2020. The Project Office is working with Thales to finalise the vehicle baseline design, including residual reliability issues, prior to transition to Stage 3 - Full Rate Production.
Cost Performance:	The Financial Year 2019-20 underspend of s47G, s47E(d) [redacted] and COVID-19 impacts on training and support.
Australian Industry Capability (AIC):	Thales has achieved an Australian Industry Capability content of over s47G [redacted] against an acquisition contract value of s47G [redacted] This value includes the s47G [redacted] scope of work.
Div Head Comments:	The Production Reliability Acceptance Test was finalised with the Hawkei achieving the contracted level of reliability. The Project is now working with Thales to finalise the design baseline, including residual reliability issues, to enable entry into Full-Rate Production. s33(a)(i) [redacted]

Year of Decision: 2007

Current Project Approval ($m):	1,988	Expenditure to Date ($m):	773	**CAPABILITY**	**IOC**	**FOC**	**COST**
Original Materiel Acquisition Agreement Date:	01/05/2008	Latest Materiel Acquisition Agreement Amendment:	12/03/2020	s33(a)(i) [redacted]	Green	Green	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Dec-2020	BL: Jun-2023	
Division Head Name:	MAJGEN Andrew Bottrell	Division Head Mobile Number:	s47F [redacted]		FC: Dec-2020	FC: Jun-2023	

Key
BL: Baseline
FC: Forecast
AA: Actual

Section 1 - Performance Summaries for Key Acquisition Projects

LND00121PH5	Tactical Training Vehicles	ACAT I

21

Capability, Schedule & Cost Comment: The Project is proceeding as planned within the capability, schedule and cost parameters. Land 121 Phase 5B is procuring additional quantities of vehicles (1,044), modules (872) and trailers (812) acquired under Land 121 Phase 3B. Reporting, management and project governance is aligned and managed together with Phase 3B.

Capability Performance: The project is delivering the capability required and has already been used to good effect in responding to the Queensland floods and national bushfire support efforts.

Schedule Performance: The Project Office is working with Rheinmetall to finalise details for s47G, s33(a)(i) [redacted] resulting from COVID-19 implications. The Project is supporting Rheinmetall demonstration of the Supashock Automated Load Handling System on 22-26 June at Monegeeta.

Cost Performance: The year to date variation is due to the achievement of several milestones ahead of that planned. All invoices have been received and processed.

Australian Industry Capability (AIC): Overall Australian industry involvement in the project will be no less than s47G [redacted] of the total original acquisition contract value. Rheinmetall MAN Military Vehicles Australia has teamed with a number of Australian subcontractors to achieve a local contract content value of approximately s47G [redacted]. Haulmark Trailers (Australia) is undertaking a number of activities including design, development, manufacture and integration to achieve a local contract content value of approximately s47G [redacted]. Other components that contribute to the overall Project Australian Industry Capability percentage include facilities, contractor services and simulation training system. This will raise the overall Australian industry content to over s47G [redacted]

Div Head Comments: The project is progressing in conjunction with Land 121 Phase 3B and has continued to progress strongly, ensuring Industry is supported where possible, particularly in relation to bringing forward project milestones and payments as a stimulus to offset COVID19 impacts.

Year of Decision: 2015

Current Project Approval ($m):	1,189	Expenditure to Date ($m):	168
Original Materiel Acquisition Agreement Date:	29/04/2010	Latest Materiel Acquisition Agreement Amendment:	11/12/2019
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	MAJGEN Andrew Bottrell	Division Head Mobile Number:	s47F [redacted]

Key
BL: Baseline
FC: Forecast
AA: Actual

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: Dec-2019 s33(a)(i) [redacted]	Green BL: Dec-2026	Green

Armoured Vehicles

LND00400PH2	Mounted Combat Reconnaissance Capability (MCRC)	ACAT I

22

Capability, Schedule & Cost Comment: LAND 400 Phase 2 will deliver a Mounted Combat Reconnaissance Capability to Army comprised of 211 Combat Reconnaissance Vehicle Drive Modules and 223 Combat Reconnaissance Vehicle Mission Modules and associated Support and Training Equipment. The project is on track to achieve the cardinal milestones outlined in the Materiel Acquisition Agreement. The project is on track to be delivered within its approved budget.

Capability Performance: The acquisition contract with Rheinmetall Defence Australia was signed on 9 August 2018 for the delivery of 211 Drive and 223 Mission Modules. The support contract for Block II vehicles was signed with Rheinmetall Defence Australia on 20 December 2018. A contract with Universal Motion Simulators for a reconfigurable driver training system was signed 20 December 2018. Delivery of the first tranche of Block I vehicles have commenced in accordance with the project schedule.

Schedule Performance: The Project is on track to achieve Initial Operational Capability. There are some minor delays in the delivery of some Block I vehicles and these are being managed closely by Army and the Capability Acquisition and Sustainment Group.

Cost Performance: The Project achieved 99.8 per cent of it's Financial Year 2019/20 budget allocation. The minor underspend is primarily due to less than anticipated expenditure for s47E(d) [redacted]

Australian Industry Capability (AIC): The acquisition contract with Rheinmetall Defence Australia is valued at approximately $3.3 billion and the support contract is valued at approximately $192 million. Rheinmetall's Public Australian Industry Capability Plan advises an Australian expenditure of $1.685 billion in the acquisition phase and $156.3 million in the support phase. This results in an Australian Industry Capability achievement of approximately 53 per cent when calculated against the value of the acquisition and support contracts signed to date. These are preliminary percentages and are expected to change with the execution of future contracts in support of the project. Over the life of the capability, independent modelling indicates that a total economic benefit of s33(a)(i) [redacted] will be realised through Australian industry, which represents over s33(a)(i) [redacted] of the value of the acquisition and support contracts at the time of contract execution.

Div Head Comments: The Project is focused on the acceptance of the first batch of vehicle deliveries, whilst concurrently contributing to the design of the Block II variants. Verification and Validation activities at Monegeetta Proving Grounds have recommenced, and the Project is preparing to commence its first package of driver training to Army personnel. s47G [redacted] Rheinmetall Defence Australia's Military Vehicle Centre of Excellence is on track for opening in October 2020.

Year of Decision: 2018

Current Project Approval ($m):	5,762	Expenditure to Date ($m):	458
Original Materiel Acquisition Agreement Date:	19/01/2015	Latest Materiel Acquisition Agreement Amendment:	15/05/2019
AIC Distribution (%): Aus %:	s33(a)(i) [redacted]	Overseas %:	s33(a)(i) [redacted]
Division Head Name:	MAJGEN David Coghlan	Division Head Mobile Number:	s47F [redacted]

Key
BL: Baseline
FC: Forecast
AA: Actual

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: Dec-2022 FC: Dec-2022	Green BL: Jun-2027 FC: Jun-2027	Green

Section 1 - Performance Summaries for Key Acquisition Projects

MARITIME CAPABILITIES

Ships

SEA01180PH1	Offshore Patrol Vessel	ACAT II

23

Capability, Schedule & Cost Comment: s33(a)(i) [redacted]

Capability Performance: [redacted]

Schedule Performance: [redacted]

Cost Performance: [redacted] financial year plan. s47G [redacted] Resulting in project achieving budget on an accrual basis.

Australian Industry Capability (AIC): Luerssen are currently achieving s47G [redacted] Australian Industry Capability, exceeding their contracted target of s47G [redacted]. Luerssen continues to focus on consolidating the Australian supply chain to identify further opportunities for Australian suppliers on the Offshore Patrol Vessel Program.

Div Head Comments: s33(a)(i) [redacted]

Year of Decision: 2011

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	3,701	Expenditure to Date ($m):	581
Original Materiel Acquisition Agreement Date:	10/11/2016	Latest Materiel Acquisition Agreement Amendment:	11/06/2019
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	Ms Sheryl Lutz	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: Dec-2022 FC: Dec-2022	Green BL: Jun-2030 FC: Jun-2030	Green

SEA01448PH4B	ANZAC Air Search Radar Replacement	ACAT II

24

Capability, Schedule & Cost Comment: s33(a)(i) [redacted]

Capability Performance: Materiel Acquisition Agreement dates require updating after Government agreed changes to ship availability dates. COVID-19 related travel restrictions have s33(a)(i) [redacted]

Schedule Performance: s33(a)(i) [redacted]

Cost Performance: Budget is on schedule with the execution of s47G [redacted] These changes have allowed for a lesser variance in the budget.

Australian Industry Capability (AIC): CEA Technologies is an Australian Owned Canberra based company that sources significant supplies from other Australian companies and suppliers. They are continually seeking to close the international supplier loop.

Div Head Comments: Project has s33(a)(i), s33(a)(iii) [redacted]

Year of Decision: 2007

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	429	Expenditure to Date ($m):	269
Original Materiel Acquisition Agreement Date:	10/10/2013	Latest Materiel Acquisition Agreement Amendment:	19/12/2017
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	Ms Sheryl Lutz	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Red BL: Jun-2020	Green BL: Jun-2024 FC: Jun-2024	Green

s33(a)(i) [redacted]

Section 1 - Performance Summaries for Key Acquisition Projects

SEA01654PH3	Maritime Operational Support Capability	ACAT II

PROJECT OF INTEREST - see Quarterly Performance Report (QPR) Section 3.1 for detailed analysis.

25

Year of Decision: 2017

Key
BL: Baseline
FC: Forecast
AA: Actual

Capability, Schedule & Cost Comment: s33(a)(i) [redacted] The Project remains on track to achieve Capability and Cost requirements as approved by Government at Second Pass, as well as its Final Operational Capability commitment by end December 2022.

Capability Performance: s33(a)(i) [redacted]

Schedule Performance: s33(a)(i) [redacted] s47G [redacted] The practical impact of delays with Integrated Logistic Support products has been significantly reduced by the delays to ship delivery. Australian Fit-out and Transition to Sustainment planning is well advanced ahead of s33(a)(i) [redacted].

Cost Performance: The End of Financial Year underspend was s47G [redacted] caused by the closure of the shipyard as a result of COVID-19 restrictions. The 2020/21 Financial Year forecast has increased as a result of the underspend.

Australian Industry Capability (AIC): s33(a)(i) [redacted]

Div Head Comments: Project continues to manage the delays as a result of the COVID-19 impact in Spain and Initial Operational Capability for ship 1 remains scheduled for Quarter 3 2021 and Operational Capability for Ship 2 for Quarter 4 2021.

Current Project Approval ($m):	1,085	Expenditure to Date ($m):	657	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	11/08/2014	Latest Materiel Acquisition Agreement Amendment:	09/04/2018	s33(a)(i) [redacted]	Red	Green	Green
AIC Distribution (%): Aus %:	s33(a)(i) [redacted]	Overseas %:	s33(a)(i) [redacted]		BL: Mar-2021	BL: Dec-2022	
Division Head Name:	Ms Sheryl Lutz	Division Head Mobile Number:	s47F [redacted]		FC: Jul-2021	FC: Dec-2022	

SEA03036PH1	Pacific Patrol Boat Replacement	ACAT II

26

Year of Decision: 2017

Key
BL: Baseline
FC: Forecast
AA: Actual

Capability, Schedule & Cost Comment: s33(a)(i) [redacted]

Capability Performance: [redacted]

Schedule Performance: Boats - s47G, s47E(d) [redacted] s33(a)(i) [redacted]

Cost Performance: To date approximately 36 per cent of the project total approved budget achieved. Contingency Budget remains unchanged.

Australian Industry Capability (AIC): s47G [redacted]

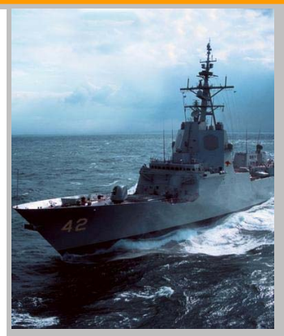
Div Head Comments: Handover of Boat 07 to Palau remains on schedule for September 2020. Production for remaining ships remains on track but handover to Pacific Island Countries is subject to COVID-19 travel restrictions.

Current Project Approval ($m):	504	Expenditure to Date ($m):	179		IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	08/07/2014	Latest Materiel Acquisition Agreement Amendment:	20/12/2016	s33(a)(i) [redacted]	Red	Green	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Oct-2018	BL: Nov-2023	
Division Head Name:	Ms Sheryl Lutz	Division Head Mobile Number:	s47F [redacted]		AA: Nov-2018	FC: Nov-2023	

Section 1 - Performance Summaries for Key Acquisition Projects

SEA04000PH3	Air Warfare Destroyer Program	ACAT I

27



Capability, Schedule & Cost Comment: s33(a)(i) [redacted]

Capability Performance: s33(a)(i) [redacted]

Schedule Performance: s33(a)(i) [redacted]

Cost Performance: The Air Warfare Destroyer Program has spent s47G [redacted]

Australian Industry Capability (AIC): To end April 2020, cumulative AIC performance is s47G, s33(a)(i) [redacted]

Div Head Comments: Project has successfully achieved Final Materiel Release and is closing out s33(a)(i) [redacted] at the rate planned.

Year of Decision: 2016

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	9,109	Expenditure to Date ($m):	8,081
Original Materiel Acquisition Agreement Date:	25/09/2007	Latest Materiel Acquisition Agreement Amendment:	22/03/2018
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	Ms Sheryl Lutz	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: Feb-2019 AA: Dec-2018	Green BL: Jun-2021 FC: Jun-2021	Green

SEA05000PH1	Future Frigate - Design and Construction	ACAT I

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: March 2020.

28

Capability, Schedule & Cost Comment: Scope, schedule and cost are in accordance with Gate 2 approvals. All scheduled activities in the Materiel Acquisition Agreement continue to be progressed as planned, noting that this is a high risk project and cost and schedule pressures remain extant and are being managed.

Capability Performance: BAE Systems was announced as the preferred tenderer June 2018 with a design based on the United Kingdom's Type 26 anti-submarine warfare frigate. ASC Shipbuilding became a subsidiary of BAE Systems Australia and Head Contract was signed with ASC Shipbuilding on 16 December 2018 with Effective Date 4 February 2019. Capability requirements continue to be refined and assessed against the Gate 2 approved scope, cost and schedule. s47E(d) [redacted]

Schedule Performance: Contract Data deliverables are being received and reviewed in accordance with the schedule. s33(a)(i), s47G [redacted]

Cost Performance: s47G [redacted] s47G [redacted]

Australian Industry Capability (AIC): s33(a)(i) [redacted]

Div Head Comments: s33(a)(i) [redacted]

Year of Decision: 2016

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	6,292	Expenditure to Date ($m):	681
Original Materiel Acquisition Agreement Date:	25/07/2014	Latest Materiel Acquisition Agreement Amendment:	11/10/2018
AIC Distribution (%): Aus %:	TBD	Overseas %:	TBD
Division Head Name:	Ms Sheryl Lutz	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Not Rated BL: Not Rated FC: Not Rated	Not Rated BL: Not Rated FC: Not Rated	Green

Section 1 - Performance Summaries for Key Acquisition Projects

Submarines

SEA01000PH1B	Future Submarine Design and Construction - Program Design and Mobilisation stage	ACAT I

29

Capability, Schedule & Cost Comment: Design activities remain focused on concluding actions to exit the December 2019 System Requirements Review and addressing key technical risks to Functional Ship - Systems Requirements Review (January 2021). s47E(d), s33(a)(iii) [redacted]

Capability Performance: s33(a)(i) [redacted]

Schedule Performance: The Program remains within schedule and cost tolerance; notwithstanding there is s33(a)(i) [redacted]

Cost Performance: s47G, s47E(d) [redacted]

Australian Industry Capability (AIC): The Program aims to deliver Australia a s33(a)(i) [redacted] This will involve maximising Australian Industry involvement in all Program phases without unduly compromising capability, cost or schedule to s33(a)(i) [redacted]

Div Head Comments: s33(a)(i) [redacted]

Year of Decision: 2007

Current Project Approval ($m):	5,926	Expenditure to Date ($m):	1,276	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	01/12/2017	Latest Materiel Acquisition Agreement Amendment:	09/04/2020	s33(a)(i) [redacted]	Not Rated	Not Rated	Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: Not Rated	BL: Not Rated	
Division Head Name:	RADM Greg Sammut	Division Head Mobile Number:	s47F [redacted]		FC: Not Rated	FC: Not Rated	

Key
BL: Baseline
FC: Forecast
AA: Actual

SEA01354PH1	Submarine Escape Rescue and Abandonment System (SERAS)	ACAT III

PROJECT OF INTEREST - see Quarterly Performance Report Section 3.1 for detailed analysis. First included in QPR: June 2020.

30

Capability, Schedule & Cost Comment: The project will provide an air, land and sea deployable Submarine Rescue System to support both the Collins and Attack Class submarines. It will also deliver Collins submarine modifications to improve escape and abandonment capability. s33(a)(i), s47C [redacted]

Capability Performance: Entered into contract for the acquisition of the Submarine Rescue System awarded to Phoenix International (Australia) 19 December 2018. s33(a)(i), s47E(d), s47G [redacted]

Schedule Performance: s47E(d), s33(a)(i), s47G [redacted]

Cost Performance: s47G, s47E(d) [redacted]

Australian Industry Capability (AIC): s47G, s47E(d) [redacted]

Div Head Comments: s47E(d), s33(a)(i), s47C [redacted]

Year of Decision: 2018

Current Project Approval ($m):	381	Expenditure to Date ($m):	68	CAPABILITY	IOC	FOC	COST
Original Materiel Acquisition Agreement Date:	30/04/2015	Latest Materiel Acquisition Agreement Amendment:	30/04/201	s33(a)(i) [redacted]	Red	Red	Amber
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]		BL: 2020/21	s33(a)(i) [redacted]	
Division Head Name:	RADM Greg Sammut	Division Head Mobile Number:	s47F [redacted]		s33(a)(i) [redacted]		

Key
BL: Baseline
FC: Forecast
AA: Actual

Section 1 - Performance Summaries for Key Acquisition Projects

SEA01439PH3	Collins Submarine Platform Systems Improvements (Collins Reliability and Sustainability)	ACAT III

31

Capability, Schedule & Cost Comment: The project consists of 24 sub-projects intended to improve class reliability, sustainability, safety and/or capability. Remaining sub-projects include upgrades to s33(a)(i) [redacted] The project scheduled to achieve s33(a)(i) [redacted] in line with the Materiel Acquisition Agreement. The approved work scope will be completed within the allocated budget, without the use of contingency.

Capability Performance: s33(a)(i) [redacted]

Schedule Performance: The implementation of the multiple sub-projects is progressing satisfactorily. s33(a)(i) [redacted]

Cost Performance: The cost to complete the scope of SEA1439PH3 is within budget. Contingency has not been used.

Australian Industry Capability (AIC): High proportion of work s33(a)(i) [redacted] Overseas investment s33(a)(i) [redacted]

Div Head Comments: Project delivery progressing in step with 10+2 usage and upkeep cycle.

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	446	Expenditure to Date ($m):	392
Original Materiel Acquisition Agreement Date:	01/06/2005	Latest Materiel Acquisition Agreement Amendment:	18/06/201
AIC Distribution (%): Aus %:	s33(a)(i) [redacted]	Overseas %:	s33(a)(i) [redacted]
Division Head Name:	RADM Greg Sammut	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: May-2014 AA: May-2014	Green BL: Jun-2023 FC: Jun-2023	Green

SEA01439PH5B2	Collins Class Communications and Electronic Warfare Improvement Program	ACAT II

32

Capability, Schedule & Cost Comment: Modernised Submarine Communication System Stage 1 provides obsolescence update of communications centre equipment for Collins Class submarines. Stage 2 involves capability upgrade of Collins Class submarine communications systems including Wide Band Satellite communications, Submarine Local Area Network Environment, Submarine Communication Information Exchange Management System, Microwave Electronic Support. s33(a)(i) [redacted]

Capability Performance: s33(a)(i) [redacted] n track with latest Materiel Acquisition Agreement version.

Schedule Performance: s33(a)(i) [redacted]

Cost Performance: Project budget now includes Stage 1, Stage 2 and Microwave Electronic Support scope.

Australian Industry Capability (AIC): Australian industry is delivering a s33(a)(i) [redacted] Overseas investment is s33(a)(i) [redacted]

Div Head Comments: Project is progressing in accordance with the updated schedule for implementation within the 10+2 usage and upkeep cycle.

Year of Decision: 2000

Key
BL: Baseline
FC: Forecast
AA: Actual

Current Project Approval ($m):	611	Expenditure to Date ($m):	320
Original Materiel Acquisition Agreement Date:	06/06/2008	Latest Materiel Acquisition Agreement Amendment:	10/04/2019
AIC Distribution (%): Aus %:	s33(a)(i) [redacted]	Overseas %:	s33(a)(i) [redacted]
Division Head Name:	RADM Greg Sammut	Division Head Mobile Number:	s47F [redacted]

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Red L: Dec-2018 C: Oct-2020	Green BL: Jun-2027 FC: Jun-2027	Green

Section 1 - Performance Summaries for Key Acquisition Projects

SEA01439PH6	Collins Sonar Capability Assurance Program	ACAT II

33

Year of Decision: 2000

Capability, Schedule & Cost Comment:	Project scope and capability is on track to be achieved. s33(a)(i) [redacted] s47G, s47E(d) [redacted] s47G Survey and Quote task cost estimates currently within the project budget.
Capability Performance:	s33(a)(i) [redacted]
Schedule Performance:	[redacted]
Cost Performance:	Project is on track to achieve all deliverables to required scope, budget and schedule.
Australian Industry Capability (AIC):	AIC tracking as planned. Overseas portion mostly relates to s33(a)(i), s47G [redacted].
Div Head Comments:	Project continues to be led and managed very well, and is supported by collaborative and productive industry involvement. Project is progressing in accordance with the updated schedule for implementation within the 10+2 usage and upkeep cycle.

Current Project Approval ($m):	673	Expenditure to Date ($m):	285
Original Materiel Acquisition Agreement Date:	07/07/2009	Latest Materiel Acquisition Agreement Amendment:	17/01/2019
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas %:	s47G [redacted]
Division Head Name:	RADM Greg Sammut	Division Head Mobile Number:	

Key
BL: Baseline
FC: Forecast
AA: Actual

CAPABILITY	IOC	FOC	COST
s33(a)(i) [redacted]	Green BL: Jun-2021 s33(a)(i) [redacted]	Green BL: Jun-2027	Green

Section 1.2 - Top 30 Sustainment Product Dashboard

#	Product No	Product Name	MS-CAT Value	Introduction Into Service	Planned Withdrawal Date	Availability	Cost Year End
		AIR CAPABILITIES					
		Aerospace Systems				s33(a)(i) [redacted]	
1	CAF02	F/A-18A/B Classic Hornet	MSCAT II	1985	2022		Green
2	CAF03	Lead-In Fighter Hawk Weapon System	MSCAT III	2000	2025		Red+
3	CAF06	C130J-30 Weapon System	MSCAT III	1999	2030		Green
4	CAF19	C-17 Heavy Air Lift Weapons System	MSCAT III	2006	2036		Red-
5	CAF20	E-7A Wedgetail Airborne Early Warning and Control system	MSCAT II	2009	2039		Amber-
6	CAF21	F/A18F Super Hornet Weapon System	MSCAT II	2010	2030		Green
7	CAF22	KC-30A Weapon System	MSCAT II	2011	2031		Red-
8	CAF30	Joint Strike Fighter (JSF)	MSCAT I	2014	2052		Red+
9	**CAF34**	**C-27J Battlefield Airlifter Sustainment (Product of Interest)**	MSCAT III	-	2037		Red+
10	CAF35	P8 Poseidon	MSCAT II	2016	2051		Red+
		Helicopter Systems					
11	**CA12**	**Armed Reconnaissance Helicopter Weapon System (Product of Interest)**	MSCAT II	2004	2028		Red-
12	**CA48**	**Multi Role Helicopter (MRH90) (Product of Interest)**	MSCAT II	2007	2040		Red-
13	CN35	MH-60R Seahawk Romeo Weapon System	MSCAT II	2014	2048		Green
14	CAF37	Pilot Training System	MSCAT II		2042		Red-
15	**CAF12**	**Air Traffic Management (Product of Interest)**	MSCAT II	1982	2023		Red-
16	CAF13	Wide Area Surveillance (WAS)	MSCAT II	2003	2025		Green
		JOINT CAPABILITIES					
		Joint Systems					
17	**CA59**	**Army Munitions & Guided Weapons (Product of Interest)**	MSCAT III	Multiple	Multiple		Green
18a	CAF32	Explosive Ordnance Air Force Munitions	MSCAT III	Multiple	Multiple		Green
18b	CAF33	Explosive Ordnance Guided Weapons	MSCAT III	Multiple	Multiple		Green
19	**CN54**	**Navy Explosive Ordnance (Product of Interest)**	MSCAT II	Multiple	Multiple		Green
20	CJC01	Explosive Ordnance Manufacturing Facilities	MSCAT II				Red+
21	CA31	Battlespace Communication Systems	MSCAT III	1989	2020		Green
22	**CA40**	**Command and Intelligence Systems**	MSCAT II	2000	2021		Red+
		LAND CAPABILITIES					
		Land Systems					
23	CA19	Commercial Vehicles Fleet	MSCAT III	Multiple	2021		Green
24	CA39	ADF Clothing	MSCAT II	Multiple	2099		Green
		MARITIME CAPABILITIES					
		Maritime Systems					
25	CN02	Anzac-Class Frigate (FFH)	MSCAT II	1996	2032		Green
26	**CN34**	**Canberra Class Landing Helicopter Dock (Product of Interest)**	MSCAT I	2014	2054		Green
27	**CN40**	**Hobart Class Destroyer (DDG) (Product of Interest)**	MSCAT I				Green
28	CN46	Sustainment of Hydrographic Capability	MSCAT III	Multiple	Multiple		Green
29	CN49	Maritime Cross Platform		Multiple	Multiple		Amber+
		Submarines					
30	CN10	Collins Class Submarine	MSCAT I	1996	2030		Green

Section 2 - Performance Summaries for Top 30 Sustainment Products

AIR CAPABILITIES

Aerospace Systems

CAF02 | **F/A-18A/B Classic Hornet** | **MSCAT II**

1

Planned Withdrawal Date: 2022

Availability Comment: s33(a)(i) [redacted]

Cost Comment: Expenditure was well managed with Year to Date/Year End spend performance within 0.1 per cent of target.

Australian Industry Capability (AIC): s33(a)(i) [redacted]

Div Head Comments: s33(a)(i) [redacted] The product is being sustained to the satisfaction of the Capability Manager, consistent with its accelerated fleet draw down plan.

Budget 2019/20 ($m)	167.62	Year to Date Spend ($m):	167.51	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s33(a)(i) [redacted]	Overseas (%):	s33(a)(i) [redacted]	s33(a)(i) [redacted]	Green
Division Head Name:	AVM Gregory Hoffman	Division Head Mobile Number:	s47F [redacted]		

CAF03 | **Lead-In Fighter Hawk Weapon System** | **MSCAT III**

2

Planned Withdrawal Date: 2025

Availability Comment: s33(a)(i) [redacted]

Cost Comment: The 2019-20 end of year s47E(d) [redacted] of the annual product budget and was due to a deliberate decision to support additional activity associated with s33(a)(i) [redacted] s47E(d) [redacted]

Australian Industry Capability (AIC): In-service support for the Hawk Lead-in Fighter aircraft is provided by BAE Systems Australia at Royal Australian Air Force Bases Williamtown and Pearce under an in-service support contract. Support for the Hawk simulators at RAAF Bases Williamtown and Pearce is provided by Canadian Aviation Electronics Australia. Other elements of the product include contracted opposing force support which is solely provided by Australian industry.

Div Head Comments: s33(a)(i) [redacted] ur Industry Partner BAE Systems Australia is working with Rolls Royce, the engine Original Equipment Manufacturer to address the issue. However COVID-19 restrictions have impacted the planned recovery schedule. Original planning forecast a s33(a)(i) [redacted] COVID-19 has also affected other areas of s33(a)(i) [redacted]

Budget 2019/20 ($m)	180.34	Year to Date Spend ($m):	190.90	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	Red
Division Head Name:	AVM Gregory Hoffman	Division Head Mobile Number:	s47F [redacted]		

CAF06 | **C130J-30 Weapon System** | **MSCAT III**

3

Planned Withdrawal Date: 2030

Availability Comment: s33(a)(i) [redacted]

Cost Comment: s47E(d), s33(a)(i) [redacted] The introduction of one-day payment terms enabled support to Australian industry during the COVID-19 pandemic brought forward some expenditure into Financial Year 2019/20.

Australian Industry Capability (AIC): Airbus Group Australia Pacific provides support to the C-130J Hercules fleet. This rolling-wave performance-based contract has 62 per cent Australian content, secures ongoing employment of about 220 Australian Defence industry personnel, and includes s47G [redacted]. Standard Aero supports the AE2100D3 engines used on the C-130J fleet. Canadian Aviation Electronics Australia supports the C-130J simulators. The collective contractual arrangements provide s47G [redacted] Australian content.

Div Head Comments: s33(a)(i) [redacted], continuing the improvements achieved in earlier quarters of this financial year. A great outcome reflecting excellent coordination of effort across the C-130J enterprise.

Budget 2019/20 ($m)	135.28	Year to Date Spend ($m):	136.03	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	Green
Division Head Name:	AVM Gregory Hoffman	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

CAF19	C-17 Heavy Air Lift Weapons System	MSCAT III

4

Date: 2036

Availability Comment: s33(a)(i) [redacted]

Cost Comment: s47G, s33(a)(i) [redacted]

Australian Industry Capability (AIC): Sustainment of the C-17 is largely conducted through Foreign Military Sales, leveraging United States Air Force contracts with the Boeing Company, and Pratt and Whitney. In late financial year 2016/17 Defence s47G [redacted]

Div Head Comments: C-17 sustainment performance under s33(a)(i) [redacted] In-year expenditure via the primary Foreign Military Sales case is less than planned due to s47G [redacted]

Budget 2019/20 ($m)	96.66	Year to Date Spend ($m):	54.87	Availability	Year End
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	Red
Division Head Name:	AVM Gregory Hoffman	Division Head Mobile Number:	s47F [redacted]		

CAF20	E-7A Wedgetail Airborne Early Warning and Control system	MSCAT II

5

Planned Withdrawal Date: 2039

Availability Comment: s33(a)(i) [redacted]

Cost Comment: Variations were largely driven by the challenge of a limited and in-demand Industry workforce, COVID-19 restrictions, and one day payments terms. However close engagement with Industry resulted in the year end expenditure coming in at a relatively small (<5 per cent) underspend.

Australian Industry Capability (AIC): The Wedgetail In-Service Support Contract is a total logistic support commercial arrangement with an Australian industry prime contractor. Boeing Defence Australia is the prime services integrator and BAE Systems Australia is one of the principal subcontractors. The In-Service Support Contract has 45 per cent of work being undertaken in Australia, which aligns with the Australian Industry Capability plan within the Wedgetail Head Agreement.

Div Head Comments: s33(a)(i) [redacted] The complexity of managing the small Wedgetail fleet to s33(a)(i) [redacted] The product had a small underspend against the full year budget.

Budget 2019/20 ($m)	259.24	Year to Date Spend ($m):	251.43	s33(a)(i) [redacted]	Year End
AIC Distribution (%):	Aus %: 45%	Overseas (%):	55%		Amber
Division Head Name:	AVM Gregory Hoffman	Division Head Mobile Number:	s47F [redacted]		

CAF21	F/A18F Super Hornet Weapon System	MSCAT II

6

Planned Withdrawal Date: 2030

Availability Comment: The COVID-19 impact and associated restrictions over this reporting period saw a s33(a)(i) [redacted]

Cost Comment: The end of financial year expenditure was marginally below the approved budget.

Australian Industry Capability (AIC): s47G, s33(a)(i) [redacted]

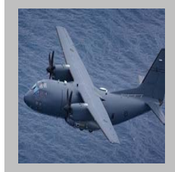
Div Head Comments: s33(a)(i) [redacted] Residual engine risk since the loss of the Growler have been actively managed. s33(a)(i) [redacted] The impacts of COVID-19 on supply chains and capability continue to be actively monitored and managed.

Budget 2019/20 ($m)	465.57	Year to Date Spend ($m):	455.23	s33(a)(i) [redacted]	Year End
AIC Distribution (%):	Aus %: s33(a)(i) [redacted]	Overseas (%):	s33(a)(i) [redacted]		Green
Division Head Name:	AVM Gregory Hoffman	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

CAF22	KC-30A Weapon System	
7	**Planned Withdrawal Date:** 2031	
	Availability Comment	s33(a)(i) [redacted]
	Cost Comment:	s47E(d), s33(a)(i) [redacted]
	Australian Industry Capability (AIC):	s47G [redacted]
	Div Head Comments:	s33(a)(i), s47E(d) [redacted]
	Budget 2019/20 ($m): 152.97	Year to Date Spend ($m): 136.64
	AIC Distribution (%): Aus %: 68%	Overseas (%): 32%
	Division Head Name: AVM Gregory Hoffman	Division Head Mobile Number: s47F [redacted]
	Availability	s33(a)(i) [redacted]
	Year End	Red

CAF30	Joint Strike Fighter (JSF)	MSCAT I
8	**Planned Withdrawal Date:** 2052	
	Availability Comment	s33(a)(i) [redacted]
	Cost Comment:	Overspend which primarily relates to expedited billing over the last couple of months as s47G [redacted]
	Australian Industry Capability (AIC):	s33(a)(i) [redacted]
	Div Head Comments:	s33(a)(i) [redacted] s33(a)(i) [redacted]
	Budget 2019/20 ($m): 169.87	Year to Date Spend ($m): 189.73
	AIC Distribution (%): Aus %: s33(a)(i) [redacted]	Overseas (%): s33(a)(i) [redacted]
	Division Head Name: AVM Gregory Hoffman	Division Head Mobile Number: s47F [redacted]
	Availability	s33(a)(i) [redacted]
	Year End	Red

CAF34	C-27J Battlefield Airlifter Sustainment	MSCAT III
PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis. First included in QPR: June 2019.		
9	 **Planned Withdrawal Date:** 2037	
	Availability Comment	s33(a)(i), s47G [redacted]
	Cost Comment:	s47E(d), s33(a)(i) [redacted] .
	Australian Industry Capability (AIC):	Northrop Grumman Australia provides through life support for the C-27J fleet and is supported by Standard Aero which sustains the AE2100D2A propulsion system. s33(a)(i) [redacted] Northrop Grumman Australia should continue to seek opportunities to increase Australian industry capability where practical to do so.
	Div Head Comments:	C-27J is managed as a Product of Interest with its s33(a)(i) [redacted]
	Budget 2019/20 ($m): 81.88	Year to Date Spend ($m): 88.26
	AIC Distribution (%): Aus %: s47G [redacted]	Overseas (%): s33(a)(i) [redacted]
	Division Head Name: AVM Gregory Hoffman	Division Head Mobile Number: s47F [redacted]
	Availability	s33(a)(i) [redacted]
	Year End	Red

Section 2 - Performance Summaries for Top 30 Sustainment Products

CAF35	P8 Poseidon	MSCAT II

10

Planned Withdrawal Date: 2051

Availability Comment: s33(a)(i), s47G [redacted]

Cost Comment: s47E(d) s47G, s33(a)(i) [redacted]

Australian Industry Capability (AIC): [redacted]

Div Head Comments: Capability Acquisition and Sustainment Group is working closely with the United States Navy and Boeing Defence Australia to mature future sustainment cost estimates and the local and global support arrangements for this capability. The year-end overspend is due to deliberate decisions to bring forward approved scope from next financial year. The Australian-based Through Life Support contract from October 2020 will rationalise existing contracted support arrangements and increase Australian Industry involvement. [redacted]

Budget 2019/20 ($m)	112.04	Year to Date Spend ($m):	143.34	**Availability**	**Year End**
AIC Distribution (%):	Aus %: [redacted]	Overseas (%):	[redacted]	s33(a)(i) [redacted]	**Red**
Division Head Name:	AVM Gregory Hoffman	Division Head Mobile Number:	s47F [redacted]		

Helicopter Systems

CA12	Armed Reconnaissance Helicopter Weapon System	MSCAT II

PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis. First included in QPR: March 2017

11

Planned Withdrawal Date: 2028

Availability Comment: Tiger repairable item availability and subsequently s33(a)(i) [redacted] The impact from COVID has predominantly been associated with disruption of overseas supply chains, which Defence continues to work with industry to remediate.

Cost Comment: s33(a)(i) [redacted] The Army Aviation Systems Program Office worked closely with Army to optimise year-end spend.

Australian Industry Capability (AIC): There have been no significant changes from the previous quarter. Airbus is the prime contractor for the Tiger Armed Reconnaissance Helicopters. Airbus and the following in-country subcontractors are the prime local industry participants: Thales Australia, Safran Electronics and Defence and Safran Helicopter Engines Australia. Airbus Australia Pacific is continuing to seek further opportunities for Australian Industry Capability.

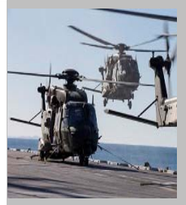
Div Head Comments: The capability has stabilised to an extent s33(a)(i) [redacted] The COVID impacts are being carefully managed.

Budget 2019/20 ($m)	148.29	Year to Date Spend ($m):	137.34	**Availability**	**Year End**
AIC Distribution (%):	Aus %: [redacted]	Overseas (%):	[redacted]	s33(a)(i) [redacted]	**Red**
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]		

CA48	Multi Role Helicopter (MRH90)	MSCAT II

PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis. First included in QPR: March 2017

12



Planned Withdrawal Date: 2040

Availability Comment: s33(a)(i) [redacted] OVID has predominantly further disrupted overseas supply chains, which Defence continues to work with industry to remediate.

Cost Comment: s33(a)(i) [redacted]

Australian Industry Capability (AIC): Airbus Australia Pacific remains the prime contractor for the Multi-Role Helicopter Taipan. Under the current sustainment contract, the following in-country repair venues are SAFRAN Engines, Thales Australia, Sagem Australia and Leonardo Helicopter (which includes Partech). The Repair and Overhaul Facility for the Main Gear Box of the Taipan remains on track to be operational by the end of 2020. Under the current COVID-19 environment Airbus Australia Pacific and Defence are investigating further opportunities to expand local industry capabilities.

Div Head Comments: s33(a)(i), s47G [redacted]

Budget 2019/20 ($m)	233.90	Year to Date Spend ($m):	207.84	**Availability**	**Year End**
AIC Distribution (%):	Aus %: [redacted]	Overseas (%):	[redacted]	s33(a)(i) [redacted]	**Red**
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

CAF12	Air Traffic Management	MSCAT II

PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis. First included in QPR: June 2017.

15

Planned Withdrawal Date: 2023

Availability Comment: s33(a)(i) [redacted]

Cost Comment: s33(a)(i), s47G [redacted]

Australian Industry Capability (AIC): CAF12 sustains Air Traffic Management Systems for Defence airfields. The majority of support is associated with the Australian Defence Air Traffic System and is provided by Raytheon Australia from their Williamtown Aerospace Centre in New South Wales. The other major contractor is BAE Systems who support air-ground-air radios and fixed and deployable tactical air navigation aids from their facilities in North Ryde New South Wales and Edinburgh Parks in South Australia. BAE Systems also provide operational maintenance services from Defence facilities for Defence Air Traffic Management and navigation aid systems at Oakey in Queensland, Nowra Navy base and simulators at the School of Air Traffic Control in Victoria. Rohde and Schwarz and subcontractor Varley support deployable systems. Airservices Australia provides Deeper Maintenance support [redacted].

Div Head Comments: s33(a)(i) [redacted] during the travel limitations imposed through the response to COVID-19.

Budget 2019/20 ($m)	60.19	Year to Date Spend ($m):	51.54	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	**Red**
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]		

CAF13	Wide Area Surveillance (WAS)	MSCAT II

16

Planned Withdrawal Date: 2025

Availability Comment: s33(a)(i) [redacted]

Cost Comment: s47G [redacted]

Australian Industry Capability (AIC): All sustainment support for the Jindalee Operational Radar Network in remote sites in WA, NT and QLD is managed by BAE Systems Australia. BAE Systems Australia also conduct training and maintenance support for the No. 1 Remote Sensor Unit Battlespace Surveillance Centre at Royal Australian Air Force Base Edinburgh. BGIS Australia (formerly known as Brookfield Global Integrated Solutions) successfully transitioned as the Remote site Facilities Support sub-contractor for BAE Systems Australia on 4 August 2019; s47G [redacted]

Div Head Comments: s33(a)(i) [redacted] throughout the COVID-19 response. This has been the result of a proactive and collaborative approach between Industry and the Systems Program Office. The program is almost completely delivered and supported by Australian Industry. The budget performance across the year was very strong despite the impacts of COVID-19.

Budget 2019/20 ($m)	77.76	Year to Date Spend ($m):	75.94	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	**Green**
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]		

CN35	MH-60R Seahawk Romeo Weapon System	MSCAT II

13

Planned Withdrawal Date: 2048

Availability Comment: s33(a)(i) [redacted]

Cost Comment: The baseline year end expenditure of s47E(d) [redacted] as a result of foreign exchange variance.

Australian Industry Capability (AIC): The Romeo sustainment program has created approximately 220 permanent Australian jobs with the majority in the Shoalhaven region of New South Wales. This number is increased (up from 160) upon award of the Through-Life-Support contract, in Quarter 1 2020. Defence and the United States Navy are continuing to work with Australian small and medium businesses to identify further opportunities to contribute to the Romeo global supply chain.

Div Head Comments: This program continues to perform very well. There has been some excellent work done by the System Program Office and Industry to mitigate the impacts of COVID-19 on the supply chain. The budget performance has been very strong.

Budget 2019/20 ($m)	145.46	Year to Date Spend ($m):	144.10	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	**Green**
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

CAF37	Pilot Training System	MSCAT II

14

Availability Comment: s33(a)(i) [redacted]

Cost Comment: Underspend was mostly driven by s47E(d), s47G [redacted]

Australian Industry Capability (AIC): Under the Contract for Services s47G of annual expenditure goes to labour and material sourced in Australia, supporting services including maintenance, engineering and operating support. The remaining s47G of expenditure goes to support from a global supply chain. Opportunities for maximising Australian industry content are managed through the Australian Industry Capability Plan and reported annually in the Contract Status Report. Australian Industry Capability opportunities include utilising Australian industry to conduct overhaul and maintenance work.

Div Head Comments: s33(a)(i), s47G [redacted]

Planned Withdrawal Date: 2042

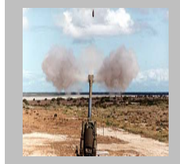
Budget 2019/20 ($m)	76.07	Year to Date Spend ($m):	70.66	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G	Overseas (%):	s47G	s33(a)(i) [redacted]	**Red**
Division Head Name:	Mr Shane Fairweather	Division Head Mobile Number:	s47F [redacted]		

Joint Systems

CA59	Army Munitions & Guided Weapons	MSCAT III

PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis. First included in QPR: December 2017

17



Availability Comment: s33(a)(i) [redacted]

Cost Comment: Overspend largely due to foreign exchange rate impacts.

Australian Industry Capability (AIC): s33(a)(i) [redacted] and Explosive Ordnance Systems Program Office continues to explore options to s33(a)(i) [redacted]

Div Head Comments: s33(a)(i) [redacted] COVID-19 travel restrictions are being actively managed.

Planned Withdrawal Date: Multiple

Budget 2019/20 ($m)	183.03	Year to Date Spend ($m):	186.74	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G	Overseas (%):	s47G	s33(a)(i) [redacted]	**Green**
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

CAF32	Explosive Ordnance Air Force Munitions	MSCAT III

18a

Availability Comment: [redacted]

Cost Comment: [redacted]

Australian Industry Capability (AIC): [redacted]

Div Head Comments: [redacted]

Planned Withdrawal Date: Multiple

Budget 2019/20 ($m)	15.58	Year to Date Spend ($m):	15.29	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G, s33	Overseas (%):	s47G, s	s33(a)(i) [redacted]	**Green**
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

CAF33	Explosive Ordnance Guided Weapons	MSCAT III

18b

Availability Comment: s33(a)(i) [redacted]

Cost Comment: The baseline budget for Financial Year 2019/20 was achieved with a 1.6 per cent variance. No risks or issues have emerged with the upcoming Financial Year 2020/21 budget with full achievement of that coming budget expected.

Australian Industry Capability (AIC): s33(a)(i) [redacted]

Planned Withdrawal Date: Multiple

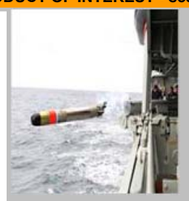
Div Head Comments: [redacted]

Budget 2019/20 ($m)	53.17	Year to Date Spend ($m):	52.60	**Availability**	**Year End**
AIC Distribution (%):	Aus %: [redacted]	Overseas (%):	[redacted]	s33(a)(i) [redacted]	**Green**
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

CN54	Navy Explosive Ordnance	MSCAT II

PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis. First included in QPR: March 2016.

19



Availability Comment: s33(a)(i) [redacted]

Cost Comment: s33(a)(i), s47E(d) [redacted]

Australian Industry Capability (AIC): A significant portion of CN54 funding is s33(a)(i) [redacted] The MU90 Lightweight Torpedo support contract with Thales contributes to Australian Industry Capability. Remaining portion of Australian Industry Capability is provided by local suppliers for s33(a)(i) [redacted]

Planned Withdrawal Date: Multiple

Div Head Comments: s33(a)(i) [redacted]

Budget 2019/20 ($m)	131.74	Year to Date Spend ($m):	133.64	**Availability**	**Year End**
AIC Distribution (%):	Aus %: [redacted]	Overseas (%):	[redacted]	s33(a)(i) [redacted]	**Green**
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

CJC01	Explosive Ordnance Manufacturing Facilities	MSCAT II

20

Availability Comment: Thales Australia Limited, trading as Australian Munitions (Thales) is contracted for the operation, maintenance and management of the Mulwala and Benalla Facilities and Properties. This contract is for the provision of Services and Supplies in support of an enduring Explosive Ordnance Manufacturing capability for Defence.

Cost Comment: The s47E(d) [redacted] allowed for a range of programs scheduled in Financial Year 2020/21 to be brought forward into Financial Year 2019/20.

Australian Industry Capability (AIC): The Australian Industry Capability Plan requires Thales to meet Australian Industry Capability objectives to maximise Australian content. s47G, s33(a)(i) [redacted] in Benalla and s47G [redacted] in Mulwala.

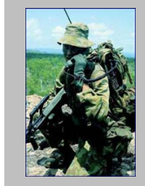
Planned Withdrawal Date: Not Identified

Div Head Comments: Thales are proactively managing the impact of COVID-19 cross-border travel to s33(a)(i) [redacted] ensuring regular updates are provided to the Commonwealth to facilitate rapid response.

Budget 2019/20 ($m)	90.73	Year to Date Spend ($m):	104.10	**Availability**	**Year End**
AIC Distribution (%):	Aus %: [redacted]	Overseas (%):	[redacted]	s33(a)(i) [redacted]	**Red**
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

CA31	Battlespace Communication Systems	MSCAT III



21

Planned Withdrawal Date: 2020

Availability Comment: s33(a)(i) [redacted]

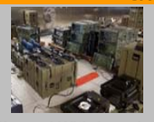
Cost Comment: The minor underspend was due s47G [redacted] which were due late in the Financial Year.

Australian Industry Capability (AIC): Approximately s33(a)(i) [redacted] of the budget for this Financial Year has been spent with Australian suppliers. Defence has strong relationships and maintains strong lines of communications with all suppliers. This communication has increased recently to keep across the current COVID-19 risks and opportunities. At this stage only s47G [redacted] Defence will continue to work with industry to identify issues, ensure payments are prompt and maximise Australian industry usage during this time.

Div Head Comments: The Product has performed well throughout Financial Year 2019/20 consistently delivering a high level of availability.

Budget 2019/20 ($m)	82.85	Year to Date Spend ($m):	82.07	s33(a)(i) [redacted]	Year End
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]		Green
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

CA40	Command and Intelligence Systems	MSCAT II



22

Planned Withdrawal Date: 2021

Availability Comment: s33(a)(i) [redacted]

Cost Comment: The variance was due to s33(a)(i) [redacted]

Australian Industry Capability (AIC): The Product comprises multiple contracts and capability systems. s47G, s33(a)(i) [redacted] Australian Industry Capability content.

Div Head Comments: The Product has s33(a)(i) [redacted]

Budget 2019/20 ($m)	46.99	Year to Date Spend ($m):	58.19	Availability s33(a)(i) [redacted]	Year End
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]		Red
Division Head Name:	Mr Ivan Zlabur	Division Head Mobile Number:	s47F [redacted]		

Land Systems

CA19	Commercial Vehicles Fleet	MSCAT III

23

Planned Withdrawal Date: 2021

Availability Comment: The Commercial Vehicle fleet continues to deliver s47G [redacted] and is meeting the needs of the Department. Vehicle availability takes into account the downtime associated with regular servicing and routine repair of vehicles.

Cost Comment: The year end variation of s47E(d) [redacted] has been caused by the late delivery of approximately 40 vehicles which has been partially offset by higher than planned repair and maintenance costs. Delayed vehicle deliveries, predominantly from s47G [redacted] - can be attributed to COVID-19, where second tier suppliers were unable to fit required accessories, tyres and modifications to meet Defence requirements.

Australian Industry Capability (AIC): The Commercial Vehicle fleet is supported via the Whole of Australian Government Fleet Services Contract with SG Fleet. Of the budget allocation, approximately s47G [redacted] is paid to SG Fleet for management services and vehicle servicing and repairs. Due to the cessation of the Australian vehicle manufacturing industry, the remainder of the budget is attributed to the acquisition of overseas manufactured vehicles, through their respective Australian suppliers.

Div Head Comments: Significant savings have been achieved in commercial vehicle management though analysis of alternate procurement options, extending retention periods prior to disposal, and consideration of cheaper variants. This work has reduced the cost of ownership, yielding $19.4m in savings in Financial Year 2020/21 and a further $187.5m across the Defence Financial Management Plan.

Budget 2019/20 ($m)	53.95	Year to Date Spend ($m):	52.35	Availability s33(a)(i) [redacted]	Year End
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]		Green
Division Head Name:	MAJGEN Andrew Bottrell	Division Head Mobile Number:	s47F [redacted]		

CA39	ADF Clothing	MSCAT II

24

Planned Withdrawal Date: 2099

Availability Comment: At the end of year, all availability Key Performance Indicators for ADF Clothing items have met targets for a green performance rating. The previously reported backlog of orders at the Primary Supply Unit continues to reduce. As a result of COVID-19, the clothing supply chain is experiencing extended delivery times and variations in international shipping arrangements. Suppliers have adjusted delivery schedules accordingly. There has been no impact to Operations due to ADF Clothing availability performance.

Cost Comment: An s47G [redacted] against the Operations budget was due to Operation Bushfire Assist s47E(d) [redacted] and Operation Resolute s47E(d) [redacted] allocated late in the financial year to cover s47E(d) [redacted]. These delays did not impact operational capability.

Australian Industry Capability (AIC): Defence's requirement for uniforms, protective clothing, headwear, footwear, accoutrements and ceremonial items is sustained primarily through long-term supply arrangements with Australian based suppliers from the clothing, textile and footwear industry. In 2011 Government directed that two product lines were to be made in Australia: the Standard Combat Uniform and Australian Defence Force Slouch Hat. Although procurement of all other items of clothing is not subject to constraints on the location of manufacture, in 2019/20 approximately s47G [redacted] t of the s47G budget was spent in Australia.

Div Head Comments: Despite COVID-19 global supply chain impacts, the staff managing this product have performed exceptionally well to support capability requirements of Point of Entry and Operations (including Operation Bushfire Assist and COVID-19 Task Forces). The Systems Program Office has also revised the Product Delivery Agreement with Army and the Services to improve a collective work take-on plan and prioritisation of new work to manage the impact of competing pressures.

Budget 2019/20 ($m)	88.11	Year to Date Spend ($m):	86.81	Availability s33(a)(i) [redacted]	Year End
AIC Distribution (%):	Aus %: s47 [redacted]	Overseas (%):	s47G [redacted]		Green
Division Head Name:	MAJGEN Andrew Bottrell	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

Maritime Systems

CN02	Anzac-Class Frigate (FFH)	MSCAT II

25

Planned Withdrawal Date: 2032

Availability Comment: s33(a)(i) [redacted]

Cost Comment: s47E(d) [redacted]

Australian Industry Capability (AIC): A total of s33(a)(i) [redacted] of spend in the program occurred locally during the period.

Div Head Comments: The WAMA continues to identify opportunities for Australian Industry Capability investment and development of the ship sustainment industry in WA. Testament to the strong performance of the combined Defence and Industry ANZAC Class workforce can be seen in the s33(a)(i) [redacted] hilst under COVID-19 constraints.

Budget 2019/20 ($m)	354.91	Year to Date Spend ($m):	353.01	Availability: s33(a)(i) [redacted]	Year End: Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas (%):	s47G [redacted]		
Division Head Name:	RADM Wendy Malcolm	Division Head Mobile Number:	s47F [redacted]		

CN34	Canberra Class Landing Helicopter Dock	MSCAT I

PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis

26

Planned Withdrawal Date: 2054

Availability Comment: s33(a)(i) [redacted]

Cost Comment: The budget has been achieved for the Financial Year 2019/20. There are funding s47E(d), s33(a)(i) [redacted]

Australian Industry Capability (AIC): The Enterprise continues to identify opportunities for Australian Industry Capability investment. s33(a)(i) [redacted]

Div Head Comments: s33(a)(i) [redacted]

Budget 2019/20 ($m)	130.59	Year to Date Spend ($m):	127.21	Availability: s33(a)(i) [redacted]	Year End: Green
AIC Distribution (%): Aus %:	s47G [redacted]	Overseas (%):	s47G [redacted]		
Division Head Name:	RADM Wendy Malcolm	Division Head Mobile Number:	s47F [redacted]		

CN40	Hobart Class Destroyer (DDG)	MSCAT I

PRODUCT OF INTEREST - see Quarterly Performance Report Section 3.2 for more detailed analysis

27

Planned Withdrawal Date: -

Availability Comment: Availability performance remains high and continues to perform within acceptable tolerances as programmed. HMAS *Brisbane* completed a Post Delivery Upgrade from February to June 2020. s33(a)(i) [redacted] ll taskings during the period have been met in spite of the COVID-19 restrictions.

Cost Comment: Defence has worked closely with the Managing Contractor to s47G [redacted]

Australian Industry Capability (AIC): s33(a)(i) [redacted]

Div Head Comments: s33(a)(i) [redacted] The response by the Enterprise included innovative use of locally available personnel and facilities in Darwin to ensure all s33(a)(i) [redacted] despite COVID-19 related travel restrictions. COVID-19 restrictions are also s33(a)(i) [redacted], particularly in the United States, which are being monitored closely.

Budget 2019/20 ($m)	207.44	Year to Date Spend ($m):	209.01	Availability: s33(a)(i) [redacted]	Year End: Green
AIC Distribution (%): Aus %:	s47 [redacted]	Overseas (%):	s47 [redacted]		
Division Head Name:	RADM Wendy Malcolm	Division Head Mobile Number:	s47F [redacted]		

Section 2 - Performance Summaries for Top 30 Sustainment Products

CN46	Sustainment of Hydrographic Capability	MSCAT III

28

Planned Withdrawal Date: Multiple

Availability Comment: s33(a)(i) [redacted]

Cost Comment: Cost performance improved considerably during the last quarter despite an s47G [redacted]

Australian Industry Capability (AIC): The In-Service Support contract for the hydrographic platforms is undertaken by BAE Systems. BAE Systems has engaged Australian Industry as an integral part of its technical support network and continues providing for an almost s33(a)(i) [redacted] Australian Industry Capability solution. The Rapid Environmental Assessment Capability is supported by Leidos Pty Ltd and is delivered via a s47G [redacted] contribution from Australian Industry Capability.

Div Head Comments: s33(a)(i) [redacted]

Budget 2019/20 ($m)	74.70	Year to Date Spend ($m):	72.92	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	Green
Division Head Name:	RADM Wendy Malcolm	Division Head Mobile Number:	s47F [redacted]		

CN49	Maritime Cross Platform	

29

Planned Withdrawal Date: N/A

Availability Comment: s33(a)(i) [redacted]

Cost Comment: Overspend due to higher than s47E(d), s33(a)(i) [redacted]

Australian Industry Capability (AIC): Maritime Cross Platform Systems Program Office uses a broad range of global, Foreign Military Sales and local Australian supply chains for the procurement and repair of systems and inventory that it manages. The vast majority of sustainment activity involves Australian industry. Work underway to increase use of Australian Industry Capability as part of Maritime Cross Platform Systems Program Office's future supplier engagement model.

Div Head Comments: s33(a)(i) [redacted]

Budget 2019/20 ($m)	80.60	Year to Date Spend ($m):	84.59	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s33(a)(i) [redacted]	Overseas (%):	s33(a)(i) [redacted]	s33(a)(i) [redacted]	Amber
Division Head Name:	RADM Wendy Malcolm	Division Head Mobile Number:	s47F [redacted]		

Submarines

CN10	Collins Class Submarine	MSCAT I

30

Planned Withdrawal Date: 2030

Availability Comment: Financial Year 2019/20 s33(a)(i) [redacted] of the in-year target. At the end of the fourth quarter of 2019/20 Collins Availability is s33(a)(i) [redacted]

Cost Comment: s33(a)(i) [redacted]

Australian Industry Capability (AIC): The percentage of the total program expenditure in Australia is estimated at s33(a)(i) [redacted], utilising long-term in-service support contracts with Australian companies.

Div Head Comments: s47G [redacted] s47G, s47E(d) [redacted]

Budget 2019/20 ($m)	569.23	Year to Date Spend ($m):	577.39	**Availability**	**Year End**
AIC Distribution (%):	Aus %: s47G [redacted]	Overseas (%):	s47G [redacted]	s33(a)(i) [redacted]	Green
Division Head Name:	RADM Greg Sammut	Division Head Mobile Number:	s47F [redacted]		

Annex A - Explanation of Performance Measures

Major capability acquisitions and sustainment activities and their performance metrics are defined in the Materiel Acquisition Agreements and Materiel Sustainment Agreements, agreed between the CAS Group Division Heads and Capability Manager Representatives. Performance against these measures is reported monthly in the respective systems for acquisition (Monthly Reporting System) and sustainment (Sustainment Performance Management System).

Measuring the Performance of Acquisition Projects
Project performance is assessed against a number of quantitative and qualitative measures.

The Key Acquisition Project Dashboard and Performance Summaries for Key Acquisition Projects use a traffic light system to rate performance. The Capability traffic light rating is a qualitative assessment. Schedule and Cost performance are data driven against specific parameters as below.

	Green = Acceptable performance	**Amber =** Emerging risks and issues	**Red =** Risks and issues realised
Capability	On track to deliver approved scope.	Major elements of scope are about to fail against the baseline.	Major elements of scope have not been achieved as baselined.
Cost	On track to deliver within approved budget.	Latest Cost Estimate exceeds budget by up to 5%.	Latest Cost Estimate exceeds budget by more than 5%.
Schedule	Delivery before, on, or up to no more than 14 days after the Baseline Date.	Delivery more than 14 days after the Baseline Date, but less than 5% slippage.	Delivery on or later than 5% slippage.

Measuring the Performance of Sustainment Products

Sustainment performance is assessed against a number of quantitative and qualitative measures. The Top 30 Sustainment Product Dashboard and Performance Summaries for Top 30 Sustainment Products use a traffic light system to rate performance.

The Availability traffic light rating is a qualitative assessment endorsed by the CAS Group Division Head. Cost performance are data driven against specific parameters as below. The Quarterly Performance Report cost traffic lights report performance against the baseline funding. This is because Defence operations funding is managed on a 'no win–no loss' basis as agreed by government.

SPMS Traffic Lights

	Green = Acceptable performance	**Amber =** Emerging risks and issues	**Red =** Risks and issues realised
Availability	The product's KPIs are within the agreed green threshold.	The product's KPIs are within the agreed amber threshold.	The product's KPIs are within the agreed red threshold.
Year End Cost	This indicator measures the year end product price baseline forecast against the Year End budget. Data reported is the year end actual (forecast). Achievement of +/- 3% tolerance.	Achievement of > 3% and <5% against Year End Budget.	Achievement of >5% against Year End Budget.
Year to Date Cost	This indicator measures the year to date achievement against product price baseline funding. Data reported is the year to date actual up to the current reporting period measured against the year to date phasings for the financial year. Achievement of +/- 3% tolerance.	Achievement of >3% and <5% against Year to Date Budget.	Achievement of >5% against Year to Date Budget.

Australian Industry Content (AIC) Distribution

The AIC and overseas percentages reported in the Quarterly Performance Report are an approximate value. Where applicable, multiple contracts under the one project or product may be aggregated.

AIC percentages are calculated by (Total Australian Industry Activities Value + Total Local Overheads) / Contract Price.

Total Australian Industry Activities Value and Total Local Overheads are defined in each Contract. Details on public AIC plans are available at defence.gov.au/SPI/Industry/publicplans.