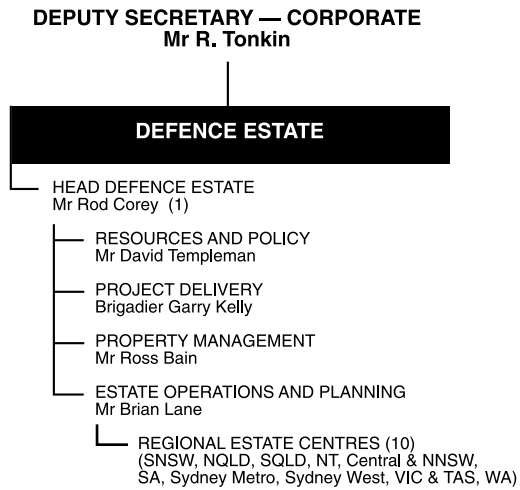


DEFENCE ESTATE ORGANISATION



Note:

1 Head, Defence Estate is responsible to Deputy Secretary Corporate.

Effective at 30 June 1999

GROUP 11: DEFENCE ESTATE

OBJECTIVE

To shape and manage the Defence estate to meet government and Defence needs.

DESCRIPTION

The Defence Estate Group is responsible for all land, buildings and infrastructure assets and manages the estate functions of investment, reinvestment, repair and maintenance, acquisition, leasing and divestment. The Group develops strategic planning and business policy on estate functions, delivers capital facilities projects, undertakes corporate estate management and provides planning and facilities operations support to client bases and establishments throughout Australia. The Group is comprised of four areas; Resources and Policy, Project Delivery, Property Management and Estate Operations and Planning.

PERFORMANCE OUTCOMES FOR 1998-99

Defence Estate, including regional offices, contributes to the achievement of relevant Defence outputs

The Defence Estate Group delivered a range of new facilities and enhancements to existing facilities during 1998-99. These include facilities for the Army in the north of Australia, which has considerably enhanced the ability of the Army to undertake land task force operations, and facilities at RAAF Tindal, which has contributed to the Air Force capability for tactical fighter and strike reconnaissance operations. A full account of facilities-related services delivered by the Defence Estate Group is included in the *Performance against Forecast* section of the Group report. The network of Defence Estate regional offices ensured that all Defence elements had facilities maintained to necessary levels through a high standard of client service.

Continued efficiencies are achieved in management of the Defence estate

The endorsement of the *Strategic Plan for the Defence Estate* is contributing to improved and efficient management by informing decisions on new investment and disposal of individual properties. Master plans for major bases are also being progressed on a priority basis to ensure the cost effective utilisation of existing assets and support the implementation of proposals identified in the strategic plan.

Rationalisation of Defence Estate regional offices has continued. Amalgamation of responsibilities and the implementation of comprehensive maintenance contracts have enabled the regional structure to be reduced from 11 offices to nine.

Facilities management and projects reflect identified policy priorities and are managed to meet operational/customer requirements within costs, on time and to specified quality standards

As an integral part of planning processes within the Group, development of projects and management strategies is undertaken in consultation with Output Managers. Further details on the cost, timeliness and quality of facilities projects are included in the *Performance against Forecast* section of this Group.

Estate management activities meet performance agreements negotiated with client programs

The Defence Estate Group has developed performance agreements with clients at various levels. Regular consultation on estate management activities occurs at all levels to ensure ongoing client input is received.

Appropriate state and local government consultative mechanisms are utilised in order to satisfy stakeholder expectations

During 1998-99, Defence participated as a member of the consultative groups established with each of the states and territories to discuss areas of mutual strategic interest. Defence property is a prominent topic in these discussions. The Group is also involved in ongoing consultation with state and local government planning authorities regarding current and future use of Defence properties, particularly in respect of those properties identified for disposal. Due to their local significance and/or location, state and local governments are interested in acquiring some Defence properties under a priority sale arrangement. Other issues are related to the environmental and heritage aspects in disposing of Commonwealth property.

The findings of internal reviews are accepted and implemented

The Defence Estate Group is committed to examining its performance, on a formal and informal basis. The organisation has invested heavily in the corporate planning process that provides high-level direction on which the performance of areas and individuals is based.

PERFORMANCE AGAINST FORECASTS FOR 1998-99

Key performance indicators for the Defence Estate will be:

- *The development of the Defence Estate Strategic Plan and the progressing of master planning and regional planning to reflect new strategic planning guidelines*

Achieved as Forecast For further information refer to the *Performance Outcomes for 1998-99* in the above section.

- *Rationalisation of the Defence Estate through the continuing business review of selected establishments*

Achieved as Forecast As part of development work for the *Strategic Plan for the Defence Estate*, a study of the cost effectiveness of operating the Air Force's southern operational and flying training bases was undertaken. The study, completed in late 1998, included RAAF bases at Amberley, Richmond, Williamstown, East Sale, Edinburgh and Pearce. The findings of the study were incorporated into the strategic plan.

- *The development of documentation for reinvestment proposals for bases identified in the Green Book*

Achieved as Forecast Documentation for a number of major projects has been developed for progression to the Joint Statutory Committee on Public Works. This includes the relocation of Aeronautical and Maritime Research Laboratories from Maribyrnong to Fishermens Bend in Melbourne, the collocation of single Service staff colleges, the redevelopment of the Darwin naval base, and over 20 medium works proposals. A number of major projects are also under development including the RAAF Edinburgh Redevelopment Stage 1 and the RAAF College collocation.

- *Review, in consultation with Groups, properties identified in the Defence Reform Program for disposal in the short term, establish a timetable for disposal of properties and progress initial disposal action*

Achieved as Forecast Progressed as part of the development and departmental endorsement of the Strategic Plan for the Defence Estate. Disposal action has commenced on properties cleared for disposal in the short-term including Kelvin Grove in Queensland, Bomera/Torana in Sydney and the Albeura Street property in Hobart.

- *The development of a program of living-in accommodation upgrades*

Not Achieved as Forecast A significant issue for Defence is provision of adequate subsidised accommodation for certain categories of Defence personnel. In conjunction with revised Defence policies, in especially the new ADF housing policy, the *Strategic Plan for the Defence Estate* highlighted the high cost of providing, maintaining and managing on-base living-in accommodation. The demand is difficult to predict and much existing stock falls short of upgraded housing standards. In this context, the strategic plan developed some strategies for implementation of the new ADF housing policy. A workshop was held in April 1999 to develop and agree on broad policy principles for provision of living-in accommodation. The principles include recognition of the need for flexibility in provision of living-in accommodation based on case-by-case consideration, and agreement that, except where there are operational or training imperatives, business case analysis will influence selection of preferred options. Options will include commercial provision, which might involve private finance initiatives, and involvement of the Defence Housing Authority.

- *Budget management and achievement, including program development (Green Book)*

Achieved as Forecast Expenditure to 30 June 1999 exceeded guidance by \$10.1m, which represents an overspend of 1.3%. The majority of this overspend was associated with increased asset maintenance activities including expenditure on Operation Safe Haven to provide temporary accommodation for Kosovo nationals in military establishments.

- *The delivery of projects within cost, on time and to specified quality standards*

Achieved as Forecast Major deliverables in the past year included completion of works to upgrade facilities at 5 Aviation Regiment, HMAS Stirling (Stage 2B/C) and RAAF Amberley. Major investments approaching completion include works at RAAF Scherger, the joint Army deployment facility (Stage 1) (formerly the Army Presence in the North project) and RAAF Tindal Stage 4. A number of projects such as the Russell redevelopment, the joint Army deployment facility (Stage 2) and facilities for 51 Far North Queensland Regiment are well advanced and proceeding as planned. Performance targets of delivery within budget to specified quality and within schedule are being achieved through a number of initiatives. These include the continued involvement of clients through the development and design phases to capture and refine user requirements, the Defence Reform Program-related reorganisation of the Defence Estate Group to better focus and develop the competencies of project staff, and specific initiatives such as the Defence Estate consultancy panels.

- *Management of overseas leasing program*

Achieved as Forecast The overseas leasing program comprises management of Defence established overseas leases and Overseas Property Group leases established on Defence's behalf. The 1998-99 spend on overseas leases was \$11.5m.

- *Achievement of a disposal revenue target of \$90m*

Not Achieved as Forecast Twenty properties were sold during the year and revenue received in 1998-99 totalled \$83.7m and included Defence's share of \$21.5m from the sale of Canberra airport. Delays experienced with a number of disposals related to longer-than-expected Defence use, some properties identified for disposal being required for temporary accommodation for Kosovo nationals and resolution of zoning and planning issues with state and local authorities.

Part Two

- *Continued improvement in business practices and further development of information systems to support Program functions*

Achieved as Forecast Enhancements to business practices are ongoing. Enhancements include the review and further development of Defence Estate contracts and the *Defence Estate Management Guide*, the development of life cycle costing principles and tools, the management and review of Defence Estate panels, and the implementation of the national code of practice for the construction industry. The implications for the Defence estate flowing from the implementation of a goods and services tax are also being examined along with the provision of support to the Group through the development of new systems and procedures. The Group is also raising awareness of sources of information through the use of new technology.

- *Further development and promulgation of policy and procedures in the Defence Estate Management Guide*

Achieved as Forecast The *Defence Estate Management Guide* has been restructured to raise awareness of total estate management principles. New policy documents are incorporated regularly, and maintenance of existing material is ongoing.

- *The investigation and development of an implementation strategy for security of explosive ordnance and weapons storage facilities*

Partially Achieved as Forecast In conjunction with Defence Security Branch and Support Command Australia, the Group completed a review of the security arrangements at seven major weapon storage and repair facilities. Implementation of the review recommendations has commenced. Reviews of security arrangements at other explosive ordnance and weapons storage facilities are progressing. Work to address deficiencies will be aligned with priorities and available funding.

- *Promulgation of Defence (Area Control) Regulations for Oakey and Williamtown*

Partially Achieved as Forecast The *Defence (Area Control) Regulations* covering the Army Aviation Centre at Oakey were promulgated on 2 March 1999. The regulations are concerned with providing height restrictions on structures around military airfields. Because of a number of studies being undertaken at RAAF Williamtown, including a runway feasibility study, it was decided not to proceed with the promulgation of the regulations for RAAF Williamtown in 1998-99.

- *Construction of a multi deck carpark will commence*

Not Achieved as Forecast A decision was taken not to construct a multi-level car park in association with the Russell redevelopment. Demolition of obsolete buildings at Russell will allow the construction of further on-ground parking facilities to commence in 1999-2000.

- *Further improved consistency in dealing with industry and the development of sound business relationships through panel arrangements*

Achieved as Forecast The project services consultancy panel has been operating successfully for 18 months, while the new Defence-wide legal panel was established in May 1999. These panel arrangements have streamlined the process of engaging consultants. Their performance as panel members is monitored and feedback is provided on a regular basis.

Implementation of the national code of practice for the construction industry was achieved through the development of code procedures, training sessions and the incorporation of clauses in the Defence suite of contracts. These clauses and associated documentation have been audited by the Office of the Employment Advocate.

- *Management of the Year 2000 problem in relation to the Defence Estate*

Achieved as Forecast The Group has addressed all necessary activities to assure that all business and safety-critical items, systems or services are Year 2000 compliant or fit for purpose as of 30 June 1999. Business continuity plans at both the strategic and local level will be available to manage situations that may arise during the critical event period. This is an extension to the Group's normal mode of operation at bases and establishments. A records management system has been established which provides a clearly documented audit trail of actions undertaken.

- *The further development and establishment of a Portfolio Environmental Management System to facilitate a consistent, standardised approach to environmental management*

Partially Achieved as Forecast A number of elements of the portfolio environmental management system have been developed. These include the development and dissemination of the *Defence Environmental Policy Statement* and the preparation and promulgation of the *Environmental Compliance Manual* on the Defence Intranet. The development of a risk assessment methodology for Defence exercises, the development of an environmental awareness program for participants in Exercise Crocodile 99 and a program to promote community awareness of environmental management procedures for the exercise have also proceeded. A number of other actions relating to the implementation of the environmental management system are currently being advanced. These include the development of an environmental management system framework, convening of the Defence Environment and Energy Committee, the review of Defence regulations relating to environment and heritage protection, the drafting of a *Defence Strategic Environment and Heritage Plan*, and the development of a manual. In addition, the legislative input of the new *Environment Protection and Biodiversity Conservation Act 1999* will need to be analysed.

- *The investigation, development and progressive implementation of new contracting methodologies for regional operations*

Achieved as Forecast The comprehensive maintenance contract was progressively developed and introduced and has now been adopted as the standard contract for the maintenance of facilities throughout Australia. A training package is being developed for delivery in all regions.

- *Progression of accrual based output management of the Defence Estate*

Achieved as Forecast Substantial progress was achieved in the development of business rules which support the transition to accrual based output management. Defence estate aspects of the *1999-2003 Five Year Defence Program* and 1999-2000 budget were developed on an accrual basis.

Significant Projects

Facilities will continue to be enhanced in northern and western Australia in support of ADF operational capability.

- *Joint Army Deployment Facility Development Stages 1 and 2*

Achieved as Forecast The construction of facilities in support of the Army's programmed relocation of the 1 Brigade to Darwin. The first stage of this project, approved by Government in 1992, was completed within budget in 1999. The second stage, approved in 1995, will be completed in late 2000, ahead of program and within the original budget. Reduced expenditure on the project is primarily due to better than anticipated prices realised for several major tenders and a reduction in the scope of this work.

- *Bradshaw Field Training Area*

Not Achieved as Forecast The provision of the necessary infrastructure to allow the use of the Bradshaw property as a field training area for 1 Brigade has been delayed as the result of both native title and land claims on the training area. The issues are complex and, in some cases, are without legal precedence. In addition to the claimants, a number of Commonwealth and Northern Territory government agencies are involved. In accordance with the provisions of the *Native Title Amendment Act 1998*, Defence is now developing an indigenous land use agreement.

- *HMAS Stirling Stage 2 Development*

Not achieved as Forecast There are three elements to the second stage development which remain outstanding.

- The requirement for living-in accommodation for HMAS Stirling is still under review.
- The requirement for a small arms range is under review.
- Problems in commissioning the static frequency converter as part of the powerhouse upgrade are being addressed. Completion is anticipated by March 2000.

- *HMAS Stirling Stage 3*

Not achieved as Forecast Due to delays in design, development and initial set up, caused by contractor resourcing problems, construction in 1998-99 reached 60% completion. The revised date for completion is now February 2000.

- *Construction of RAAF Scherger*

Partially Achieved as Forecast Due to adverse weather and a delay in the delivery of specialist fuel tank lining material, the aviation fuel storage facility was not delivered in 1998-99. The project was to be completed in August 1999. The proposed maintenance programs were implemented as forecast.

- *Development of RAAF Tindal Stage 4*

Achieved as Forecast The fourth stage, including aircraft pavements and operations and technical support facilities, was delivered on time.

- *RAAF Darwin*

Achieved as Forecast Continued development of enhanced operational works is planned for completion by June 2000.

- *Army's 5 Aviation Regiment*

Achieved as Forecast The project to provide shelter and washing facilities at RAAF Townsville, to protect strategic helicopter assets operated by the Army's 5th Aviation Regiment, was completed on time and within budget in August 1998.

- *51 Far North Queensland Regiment*

Achieved as Forecast The design of facilities for 51 Far North Queensland Regiment is 90% complete. Construction commenced in April 1999 and is 20% complete.

- *RAAF Learmonth*

Achieved as Forecast The project was 99% complete in March 1999 when cyclone Vance affected the project. Remedial work is to be completed and the base handed over to Defence by October 1999.

- *Russell Offices Redevelopment*

Achieved as Forecast The Russell Offices redevelopment will enhance the capability for strategic and operational command and the provision of strategic and defence policy advice to government through the provision of an integrated and joint environment. Overall the project will be delivered within the cost cap and will be completed eight months earlier than originally programmed. This has resulted in some expenditure on the project being brought forward. The following progress has been made:

- Construction of the two new buildings R1 and R2 and the refurbishment of three older buildings R3, R4 and R8 is now complete and 4,110 staff have been relocated into their new working environment.
- Refurbishment of R7 and the progressive occupancy of the building by the Defence Intelligence Organisation will be completed in December 1999.
- Demolition of eight buildings and work to complete the apex roundabout, roads and landscaping will be completed by April 2000 .
- The project has achieved significant savings which have been used to fund additional project initiatives including a fibre-optic communication cabling network and a higher occupancy level.

Property rationalisation/consolidation

- *Albion Explosives Factory Decontamination*

Achieved as Forecast Decontamination of the former Albion Explosives Factory site commenced and will continue to the extent required to permit disposal of the property. The Urban Land Corporation is managing remediation and disposal of the site. Remediation commenced in March 1999 and is progressing on schedule and within budget. The remediation is scheduled for completion by January 2001. Progressive transfer of the site to the Urban Land Corporation for development and public sale commenced in May 1999 and is scheduled for completion by August 2009.

- *Disposal of Surplus Land at Salisbury*

Achieved as Forecast Planning continued for the disposal of surplus land at Salisbury following the consolidation of Science and Technology Group activities in the new laboratory complex.

- *Property Disposal Activities*

Achieved as Forecast Disposal activities associated with prominent properties continued, including Portsea and Maribynong in Victoria, Neutral Bay, Randwick and Rydalmere in New South Wales and Kelvin Grove in Queensland.

- *Staff College Collocation*

Achieved as Forecast Planning has commenced for the collocation of the three single-Service staff colleges, with a view to occupying the selected site by 2002. A Joint Statutory Committee on Public Works public hearing was held in mid-June 1999. Design consultants have been engaged and the project is proceeding on schedule for a completion target of late 2000.

Part Two

- *Property Review and Pre-Disposal Activities*

Achieved as Forecast Reviews and pre-disposal activities associated with properties identified in the Defence Reform Program for disposal continued. Reviews in progress include Artillery Barracks, Leeuwin Barracks and Irwin Barracks, all in Western Australia.

Redevelopment, Upgrading and New Construction

- *HMAS Albatross Redevelopment Stage 1*

Achieved as Forecast Works to the air traffic control tower, the squadron complex, the training centre, and the parachute drop zone have commenced. The design and construction phase of this project were delayed due to protracted contractual negotiations.

- *RAAF Amberley*

Achieved as Forecast The facilities for 6 Squadron were completed on time and within budget.

- *Bandiana Military Area, Stage 2*

Achieved as Forecast The second stage commenced in 1997-98 and is to be completed in 1999-2000. The project is nearing completion with only minor works including the engineering services works package yet to be finalised.

- *RAAF Williamtown- Eastern Region Operations Centre*

Achieved as Forecast After consideration by the Joint Statutory Committee on Public Works, building works commenced in April 1999. The facility is required to be operational by June 2000.

- *East Coast Armaments Complex*

Not Achieved as Forecast The construction of the East Coast Armaments Complex at Point Wilson in Victoria, to provide support for the East Coast Fleet, was considered by the Joint Statutory Committee on Public Works. The committee recommended that Defence consider alternative locations closer to the fleet base and exercise areas on the east coast. Preliminary investigation of a site at Twofold Bay near Eden, NSW was conducted and a detailed feasibility study, including an environmental impact assessment will be completed by December 1999. Subject to a positive outcome of the feasibility study, a proposal to construct a Navy ammunition facility at Twofold Bay will be referred to Parliament early 2000. Subject to Parliamentary approval, construction will commence mid-2000 for completion by early 2002, delivering a better outcome operationally within the original timeframe and budget.

- *Facilities for Republic of Singapore Air Force, Oakey*

Achieved as Forecast The project was successfully completed ahead of schedule and under budget. The Republic of Singapore Air Force occupied the facilities in September 1998.

New Major Projects

- *Lavarack Barracks Redevelopment Stage 2 – Townsville*

Ongoing - The first stage of the redevelopment which commenced in 1992, provided upgraded living and working facilities. The second stage will provide various facilities and infrastructure, including new single-soldier living accommodation, to ensure the long-term viability of Lavarack Barracks as the major base for the ADF Rapid Deployment Force. The third stage,

which is due to commence in 2000-01, will complete the redevelopment of the barracks. A managing contractor has been appointed for the project and planning is well advanced.

- *RAAF Amberley Redevelopment*

Ongoing - This project is to overcome immediate deficiencies in the existing facilities at the base, and to provide improved aircraft maintenance, operation, support and training facilities. The primary role of units at the base is to support the Strike Reconnaissance Group. A managing contractor has been engaged and several elements of the project will be completed by mid-2000, with project completion by May 2001 .

- *RAAF Townsville Redevelopment Stage 1*

Ongoing - This project is to provide new facilities, including loading aprons and aircraft support infrastructure, to support the operational role of the base. The Joint Statutory Committee on Public Works conducted a public hearing on the project in Townsville during June 1999 and Parliamentary approval is awaited.

- *RAAF Darwin Redevelopment*

Ongoing - This project is to rectify a number of deficiencies and to ensure the long-term ability of the base to support air operations and training. The Joint Statutory Committee on Public Works reviewed the project on 11 February 1999 and agreed that it could be delivered as three medium works, without further requirement for a public hearing. Tender documentation is being prepared and works are planned to be complete by December 2000.

- *HMAS Albatross Redevelopment Stage 2*

Ongoing - HMAS Albatross is the Navy's only air station and supports naval helicopter operations as well as providing logistic support for various Navy units. The redevelopment will update a number of facilities including aircraft support, storage and maintenance facilities, the air traffic control tower and explosive ordnance storage and loading facilities. Development of parliamentary referral documentation is progressing on schedule for mid-September 1999.

Capital Facilities Expenditure

The following table provides details of expenditure on significant facilities projects in progress during 1998-99. Variations in expenditure between the 1998-99 budget estimate and 1998-99 actual expenditure is generally related to variations in cash flows across a number of contracts. It is anticipated that all projects will be completed on time and within budget. Further explanation of some individual projects is available above.

Part Two

<i>Program of Works (State, Federal Electorate And Locality)</i>	<i>Total Estimated Cost \$'000</i>	<i>Expend to 30/6/99 \$'000</i>	<i>Budget Estimate 1998-99 \$'000</i>	<i>Actual Expend 1998-99 \$'000</i>
Queensland- Kennedy				
Dalrymple Shire - Field Training Area Works	18,694	17,395	1,428	3,977
Weipa - Development of RAAF Base Scherger	138,947	136,339	4,930	5,368
New South Wales - Gilmore				
HMAS Albatross – Redevelopment Stages 1 & 2	109,917	8,723	22,881	8,392
Victoria - Indi				
Bandiana - Redevelopment Stage 2	20,181	17,328	10,000	12,380
Western Australia - Brand				
HMAS Stirling - Base Development Stage 3	19,000	9,489	13,000	9,414
Kalgoorlie				
Learmonth – RAAF Base Development Stage 1	77,000	71,112	45,737	50,301
Northern Territory - Darwin				
Darwin - Joint Army Deployment Facility Stage 2	268,300	184,042	65,500	55,624
Darwin - Development of Operational Facilities	59,458	28,478	20,072	23,897
RAAF Tindal - Base Development Stage 4	31,377	28,593	14,078	12,577
Australian Capital Territory - Fraser				
Russell - Redevelopment of Office Facilities	225,189	224,400	65,000	89,440

RESOURCES

Table 11.1: Defence Function Outlays Summary

<i>Sub-Group</i>	<i>1998-99 Budget Estimate \$m</i>	<i>1998-99 Revised Estimate \$m</i>	<i>1998-99 Actual Outcome \$m</i>	<i>Variation (98-99 Actual less Revised Estimate) \$m %</i>	
11.1 Resources and Policy	5.5	5.5	6.5	0.9	16.2
11.2 Project Delivery	436.9	428.9	410.8	-18.1	-4.2
11.3 Property Management	-25.8	-22.7	23.8	46.5	-205.2
11.4 Estate Operations and Planning	255.8	249.4	258.5	9.1	3.6
Group Total	672.4	661.2	699.5	38.3	5.8

Table 11.2: Staffing Summary

<i>Sub-Group</i>	<i>1998-99 Budget Estimate Personnel Numbers</i>	<i>1998-99 Revised Estimate Personnel Numbers</i>	<i>1998-99 Actual Outcome Personnel Numbers</i>	<i>Variation (98-99 Actual less Revised Estimate) No %</i>	
11.1 Resources and Policy	40	40	42	2	5.0
11.2 Project Delivery	63	63	67	4	6.3
11.3 Property Management	22	22	22	0	0
11.4 Estate Operations and Planning	449	417	406	-11	-2.6
Group Total	574	542	537	-5	-0.9

Table 11.3: Staffing Profile

Personnel		Sub-Group				Total
		11.1	11.2	11.3	11.4	
Permanent Force	98-99 Budget	0	49	0	143	192
	98-99 Revised	0	49	0	143	192
	98-99 Actual	0	49	0	143	192
Civilian	98-99 Budget	40	14	22	306	382
	98-99 Revised	40	14	22	274	350
	98-99 Actual	42	18	22	263	345
Total	98-99 Budget	40	63	22	449	574
Personnel	98-99 Revised	40	63	22	417	542
	98-99 Actual	42	67	22	406	537

1998-99 Defence Reform Program Progress

Defence Reform Program gains reflect efficiencies made from the amalgamation of all estate management functions into the Defence Estate Group. The establishment of the regional estate centres has resulted in personnel and administrative gains. Asset sales, as identified in the Defence Reform Program, will continue to provide one-off revenue benefits for reinvestment to improve ADF capabilities. A change in the reporting methodology has resulted in some savings originally reported against the Facilities and Long-Term Force Disposition category, now being reported within a number of different categories. This has not changed the savings targets to be achieved by Defence Estate.

Table 11.4: 1998-99 Defence Reform Program Resources Available for Reinvestment

Category	1998-99	1998-99	1998-99	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(98-99 Actual less Revised Estimate)	
	Personnel Numbers			No	%
Defence Command and Management	0	0	0.1	0.1	0
Acquisition and Industry	0	0	0.1	0.1	0
Science and Technology	0	0	0.1	0.1	0
Facilities & Long-term Force Disposition	5.8	6.6	5.2	-1.4	-21.2
Logistics	0	0	0.3	0.3	0
Personnel Planning	0	0	0.1	0.1	0
Education and Training	0	0	0.2	0.2	0
Administrative Support	0	0	0.5	0.5	0
Superannuation	0.4	0.7	0.8	0.1	14.3
One off savings	5.0	26.0	25.8 ⁽¹⁾	-0.2	-0.8
Total	11.2	33.3	33.3	0.0	0.0

Note:

- One-off savings category includes the proceeds from the disposal of RAAF Fairbairn (\$21.5m), Tighnabraich (\$2.0m), and Jenner House (\$2.3m).

Table 11.5: 1998-99 Defence Reform Program Personnel Reductions – ADF

Category	1998-99	1998-99	1998-99	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(98-99 Actual less Revised Estimate)	
	Personnel Numbers			No	%
Facilities & Long Term Force Disposition	40	40	40	0	0
Total Personnel Reductions	40	40	40	0	0

Table 11.6: 1998-99 Defence Reform Program Personnel Reductions – APS

Category	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less	
	Estimate	Estimate	Outcome	Revised Estimate)	
	\$m	\$m	\$m	\$m	%
Facilities & Long Term Force Disposition	91	101	85	-16	-15.8
Total Personnel Reductions	91	101	85	-16	-15.8

Table 11.7: 1998-99 Defence Reform Program Reinvestment

Division/Appropriation Item	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less	
	Estimate	Estimate	Outcome	Revised Estimate)	
	\$m	\$m	\$m	\$m	%
Net Personnel and Operating Costs	1.2	1.2	1.2	0	0
DRP Transition Costs	0	0.7	1.8	1.1	157.1
Total	1.2	1.9	3.0	1.1	57.9

Note: The variation in transition costs represents a redundancy provision and funding transferred to Defence Estate by Support Command for the refurbishment of Victoria Barracks, Melbourne.

Table 11.8: Reconciliation of Appropriations for the Defence Estate Group

Division/Appropriation Item	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less	
	Estimate	Estimate	Outcome	Revised Estimate)	
	\$m	\$m	\$m	\$m	%
180-01 Running Costs					
Service Personnel	12.1	11.9	12.2	0.3	2.9
Civilian Personnel	18.4	18.2	19.4	1.3	7.0
Administrative Expenses	7.2	6.4	7.0	0.6	9.0
Facilities Operations	229.4	224.2	232.1	7.9	3.5
180-02 Other Services	0.1	0.1	0.1	0	0
181 Equipment & Stores	1.5	1.5	0	0	0
183 Defence Facilities	500.3	494.7	494.7	0	0
Total Defence Function Appropriations (A)	768.9	756.9	767.1	10.1	1.3
Total Defence Function Receipts (Offset Within Outlays) (B)	-96.4	-95.7	-67.5	28.2	-29.5
Total Defence Function Outlays (A+B)	672.4	661.2	699.5	38.3	5.8

Full accrual information for this Group is available in the 1998-1999 Financial Statements in Appendix F to Part One of this document.

Table 11.9 Major Variations between 1998-99 Revised Estimate and 1998-99 Actual Outcome

Appropriation	\$m
180-01 RUNNING COSTS	
Service Personnel (\$0.3m)	
Miscellaneous minor variations	0.2
Variation in accrual based superannuation and 3% productivity benefit liability, based on movements in average staffing levels, changes in per capita rates and the impact of pay increases	0.1
Civilian Personnel (\$1.3m)	
Miscellaneous minor variations	0.2
Defence Reform Program Reinvestment	
Defence Reform Program related redundancies.	1.1
Administrative Expenses (\$0.6m)	
Re-valuation of Defence facilities assets	1.2
Variation in Fringe Benefits Tax Payments	-0.6
Facilities Operations (\$7.9m)	
Net Group transfers primarily associated with the rationalisation of functions between Groups 6 and 9 and Group 11	4.4
Higher than anticipated expenditure primarily related to facilities maintenance	1.6
New requirements for the establishment of Operation Safe Haven	1.5
Miscellaneous minor variations	0.4
DEFENCE PORTFOLIO RECEIPTS (\$28.2m)*	
Reduced revenue from property sales (including Port Kembla, Penrith, Dundas, and Brighton Barracks) following delays in the resolution of zoning and planning issues with State and local authorities, longer than anticipated Defence use of properties and the use of some properties as temporary accommodation for Operation Safe Haven.	28.0
Miscellaneous minor variations	0.2

*This figure does not include proceeds from the disposal of RAAF Fairbairn \$21.5m.