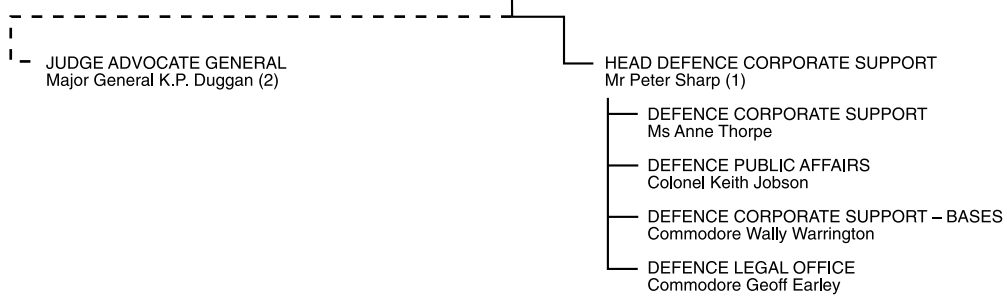


**DEPUTY SECRETARY — CORPORATE**  
Mr R. Tonkin

**DEFENCE CORPORATE SUPPORT**



**Notes:**

- 1 Head Defence Corporate Support is responsible to Deputy Secretary Corporate and is responsive to the Chief of the Defence Force and other Executive Members.
- 2 Judge Advocate General responsible to Chief of the Defence Force.

Effective at 30 June 1999

## GROUP 13: CORPORATE SUPPORT

### OBJECTIVE

To contribute to maintaining and improving the efficiency and effectiveness of the Defence organisation through the provision of a range of corporate services across Australia, and by reducing the proportion of Defence resources spent on corporate functions.

### DESCRIPTION

The Defence Corporate Support Group is responsible for providing corporate and administrative services across Defence. The principal means of achieving its objective is to deliver services to meet the requirements of clients on time, fit for purpose and at a competitive cost. The Group has a central role in achieving savings from corporate services for transfer to Defence capability. The Group comprises four sub-Groups: Corporate Support, Base Support, Public Affairs and Legal.

### PERFORMANCE OUTCOMES FOR 1998-99

The details of the Group's Performance Outcomes for 1998-99 are included under the *Performance Against Forecast for 1998-99* section below.

### PERFORMANCE AGAINST FORECAST FOR 1998-99

In support of Defence objectives, the Defence Corporate Support Group has delivered the following achievements.

- *Deliver corporate services to Defence Groups that meet their requirements as set out in service level agreements, statements of requirements, and contracts*

**Achieved as Forecast** Clients are adjusting to the implementation of what is a major change in the delivery of common corporate services. Requirements are being met at a significantly reduced cost but without detriment to Group outcomes.

- *Complete rationalisation and market testing of garrison support functions in nine of 12 regions and commence market testing in the remaining three*

**Achieved as Forecast** Of the 12 Defence Corporate Support regions, only Southern Victoria, Riverina/Murray Valley and Sydney West/South had not completed the market testing of garrison support by 30 June 1999. (The Southern Victoria result was subsequently announced on 5 August 1999 and the other two regions are currently completing tender evaluation, with a view to announcement before the end of the year.) The value of garrison support contracts now let is some \$1 billion over 5 years.

- *Complete rationalisation of management and clerical and administrative services in all regions, and commence market testing in at least two*

**Achieved as Forecast** Rationalisation in, across and between regions has been completed, applying a base-shopfront, central-processing and central-bureau service delivery model. Market testing is currently being evaluated in South Australia and Queensland (combined North and South Queensland) tender documentation has been issued.

- *Deliver an appropriate range of legal advice and support to Defence from a fully integrated and functional Defence Legal Organisation, and continue to improve the military discipline and military inquiry system, taking into account outcomes from the Parliamentary Inquiry into Military Justice Procedures and the Abadee Report into the Arrangements for the Conduct of Trials under the Defence Force Discipline Act*

**Achieved as Forecast** The Defence Legal Office has operated as an integrated organisation since July 1997. During 1998-99, the Defence Legal Office delivered a broad range of legal services and support to Defence. In late 1998, an organisational review was conducted of the Defence Legal Office in Canberra, complementing a 1997-98 review of legal service delivery in the regions. Implementation of the recommendations of those reviews is well advanced towards achieving closer integration on a national level and a more efficient and effective delivery of legal services to Defence.

The recommendations of the parliamentary inquiry into military justice, notably the development of a draft administrative inquiries manual and the recommendations of the Abadee Report, including the appointment of a Judge Advocate Administrator to provide independent advice on the appointment of presiding and court officers for court martials, in addition to other improvements to the ADF disciplinary system, have been implemented.

- *Complete the rationalisation of libraries and publishing including the establishment of a Defence Library Service and Defence Publishing Agency respectively*

**Partially Achieved as Forecast** The nationally-focused services have been established. Rationalisation strategies have been completed and are being implemented.

- *Negotiate competitively priced energy contracts as electricity and gas markets deregulate, and achieve first results from implementing the plan for effective energy management across Defence*

**Achieved as Forecast** New energy contracts were negotiated for Defence sites in Victoria (electricity), Queensland (electricity) and New South Wales (gas) with estimated savings of \$1.7m in the first year, bringing the savings since 1 July 1997 to \$9.8m per annum. The Defence Energy Efficiency project was established and is developing initial energy and greenhouse-gas reduction initiatives.

- *Deliver public affairs services from a single fully functional Defence Public Affairs Organisation, and through this organisation formulate and disseminate a new Defence public affairs strategy, revise and update guidance on Defence Public Affairs in Times of Tension and Conflict, and conduct a public opinion benchmark survey*

**Partially Achieved as Forecast** A single fully-functioning Defence public affairs organisation has been established, which incorporates the public affairs staff of the three Services with the departmental staff. Consultants have been chosen to develop a new Defence public affairs strategy, incorporating internal and external communications. The new strategy is expected to be completed by the end of 1999. Further contracts were let to conduct an audit of current Defence communications and for the establishment of a standing panel to undertake public affairs activities as required.

- *Complete a review of the way ahead for Woomera, taking account of the planned closure of the joint facility at Nurrungar, and commence implementation*

**Partially Achieved as Forecast** The review was completed and implementation is expected to commence in 1999-2000.

- *Develop and implement a common Defence policy for the management of training areas and ranges*

**Achieved as Forecast** The new policy was promulgated as a Defence Instruction (General) on 24 June 1999.

- *Provide regionally based Defence State/Territories support and liaison, and centrally managed protocol and visits services for the Defence Portfolio*

**Achieved as Forecast** The main achievement in 1998-99 was the Defence contribution to Operation Safe Haven, which has provided temporary refuge for more than 4,000 displaced persons from Kosovo.

- *Deliver savings in 1998-99 of \$60.3m from the above initiatives for re-allocation to capability*

**Achieved as Forecast** Achieved savings for re-allocation to capability were \$83.8m, exceeding the savings target by \$23.5m.

## RESOURCES

**Table 13.1: Defence Function Outlay Summary**

Sub-Group	1998-99	1998-99	1998-99	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(98-99 Actual less Revised Estimate)	
	\$m	\$m	\$m	\$m	%
13.1 Corporate Support	107.9	85.4	106.8	21.4	25.1
13.2 Base Support	451.4	505.3	525.5	20.2	4.0
13.3 Public Information	9.3	8.0	10.0	2.0	24.9
13.4 Legal	16.0	35.2	33.0	-2.2	-6.4
<b>Group Total</b>	<b>584.5</b>	<b>633.9</b>	<b>675.3</b>	<b>41.4</b>	<b>6.5</b>

**Table 13.2: Staffing Summary**

Sub-Group	1998-99	1998-99	1998-99	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(98-99 Actual less Revised Estimate)	
	Personnel Numbers			No	%
13.1 Corporate Support	174	206	318	112	54.4
13.2 Base Support	4,965	5,865	5,678	-187	-3.2
13.3 Public Information	101	101	120	19	18.8
13.4 Legal	100	100	112	12	12.0
<b>Group Total</b>	<b>5,340</b>	<b>6,272</b>	<b>6,228</b>	<b>-44</b>	<b>-0.7</b>

**Table 13.3: Staffing Profile**

Personnel		Sub-Group				Total
		13.1	13.2	13.3	13.4	
Permanent Force	98-99 Budget	66	2,311	43	40	2,460
	98-99 Revised	66	2,767	43	40	2,916
	98-99 Actual	66	2,686	43	40	2,835
Reserves	98-99 Budget	0	184	1	35	220
	98-99 Revised	0	198	1	35	234
	98-99 Actual	0	139	22	39	200
Civilian	98-99 Budget	108	2,470	57	25	2,660
	98-99 Revised	140	2,900	57	25	3,122
	98-99 Actual	252	2,853	55	33	3,193
<b>Total Personnel</b>	<b>98-99 Budget</b>	<b>174</b>	<b>4,965</b>	<b>101</b>	<b>100</b>	<b>5,340</b>
	<b>98-99 Revised</b>	<b>206</b>	<b>5,865</b>	<b>101</b>	<b>100</b>	<b>6,272</b>
	<b>98-99 Actual</b>	<b>318</b>	<b>5,678</b>	<b>120</b>	<b>112</b>	<b>6,228</b>

**1998-99 Defence Reform Program Progress**

Market testing of garrison support activities progressed across Australia, with decisions in the North and South Queensland, South Australia and Western Australia regions. The total value of contracts awarded in 1998-99 was \$347.9m. The market testing of clerical and administrative services began with the issue of a request for quotation for the cost of supplying clerical and administrative services to the South Australia region on 1 April 1999.

**Table 13.4: 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)	
	\$m	\$m	\$m	\$m	%
Administrative Support	97.3	108.2	119.7	11.5	10.6
Superannuation	18.3	20.6	20.6	0	0
Provision for Contractor Support					
Contracts Funded	-11.8	-17.8	-26.4	-8.6	48.3
Residential Provisions	-25.2	0	0	0	0
Total One Off Savings	0	0	16.6	16.6	0
<b>Total</b>	<b>78.6</b>	<b>111.0</b>	<b>130.5</b>	<b>19.6</b>	<b>17.7</b>

**Table 13.5: 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	%
Administrative Support	1,577	1,577	1,577	0	0
<b>Total Personnel Reductions</b>	<b>1,577</b>	<b>1,577</b>	<b>1,577</b>	<b>0</b>	<b>0</b>

**Table 13.6: 1998-99 Defence Reform Program Personnel Reductions – APS**

Category	1998-99	1998-99	1998-99 Actual Outcome	Variation	
	Budget Estimate	Revised Estimate		(98-99 Actual less Revised Estimate)	
	Personnel Numbers			No	%
Administrative Support	876	957	1,114	157	16.4
<b>Total Personnel Reductions</b>	<b>876</b>	<b>957</b>	<b>1,114</b>	<b>157</b>	<b>16.4</b>

**Table 13.7: 1998-99 Defence Reform Program Reinvestment**

Category	1998-99	1998-99	1998-99 Actual Outcome	Variation	
	Budget Estimate	Revised Estimate		(98-99 Actual less Revised Estimate)	
	\$m	\$m	\$m	\$m	%
Net Personnel and Operating Costs	0.5	0.5	0.5	0	0
DRP Transition Cost	0	7.0	35.9	28.9	412.9
<b>Total</b>	<b>0.5</b>	<b>7.5</b>	<b>36.4</b>	<b>28.9</b>	<b>385.3</b>

**Table 13.8 Reconciliation of Appropriations for Defence Corporate Support**

Division/Appropriation Item	1998-99	1998-99	1998-99 Actual Outcome	Variation	
	Budget Estimate	Revised Estimate		(98-99 Actual less Revised Estimate)	
	\$m	\$m	\$m	\$m	%
180-01 Running Costs					
Service Personnel	136.2	156.6	158.5	2.0	1.3
Civilian Personnel	102.1	117.3	148.1	30.8	26.3
Administrative Expenses	174.4	172.6	176.4	3.7	2.2
Facilities Operations	0	0	0	0	0
180-02 Other Services	12.0	31.1	28.5	-2.6	-8.4
181 Equipment and Stores	172.5	169.2	173.6	4.4	2.6
185 Defence Facilities	0	0	0	0	0
Special Appropriations					
DEETYA Subsidies	0	0	0	0	0
<b>Total Defence Function Appropriations (A)</b>	<b>597.1</b>	<b>646.9</b>	<b>685.1</b>	<b>38.3</b>	<b>5.9</b>
Total Defence Function Receipts (Offset within Outlays) (B)	-12.6	-13.0	-9.8	3.2	-24.3
<b>Total Defence Function Outlays C) = (A+B)</b>	<b>584.5</b>	<b>633.9</b>	<b>675.3</b>	<b>41.4</b>	<b>6.5</b>

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

**Table 13.9: Major Variations between 1998-99 Revised Estimate and 1998-99 Actual Outcome**

Appropriation	\$m
<b>180-01 RUNNING COSTS</b>	
<b>Service Personnel (\$2m)</b>	
Variation in Accrual Based Superannuation and 3% Productivity based on movements in average staffing levels, changes in per capita rates and the impact of pay increases	2.0
<b>Civilian Personnel (\$30.8m)</b>	
Net group transfers primarily associated with Garrison Support and Publishing Functions from groups 3, 6 and 12	7.2
<b>Defence Reform Program Gains</b>	
Related to Administrative Support	-5.3
<b>Defence Reform Program Reinvestment</b>	
Defence Reform Program related redundancies	25.9
Defence Reform Program transition costs	3.0
<b>Administrative Expenses (\$3.7m)</b>	
Revised arrangements - payments to copyright agency	2.5
Increased security requirements associated with the Russell redevelopment project	1.5
Net group transfers primarily associated with Garrison Support and Publishing Functions from groups 3, 6 and 12	1.5
Increased costs for utilities and security associated with the new shared site services lease at Garden Island	1.1
New requirement for the establishment of Operation Safe Haven	0.1
Decreased requirement for DRP transition costs	-9.1
<b>Defence Reform Program Gains</b>	
Defence Reform Program Market Testing	8.6
Related to Administrative Support	-2.6
<b>180-02 OTHER SERVICES (-\$2.6m)</b>	
Miscellaneous minor variations	0.1
Reduction in services required at Woomera	-1.0
Lower than anticipated requirement for legal and compensation	-1.7
<b>181 EQUIPMENT AND STORES (\$4.4m)</b>	
Contractor support resulting from market testing	27.8
New requirement for the establishment of Operation Safe Haven	1.3
Lower than anticipated costs associated with the market testing program	-1.4
Net group transfers primarily associated with Garrison Support and Publishing Functions	-3.1
<b>Defence Reform Program Gains</b>	
Related to Administrative Support	-3.6
Pre-market testing one-off gains	-16.6
<b>DEFENCE PORTFOLIO RECEIPTS (\$3.2m)</b>	
Lower than anticipated collection of receipts	4.9
Net movements in the Woomera Trust Account	-1.8

