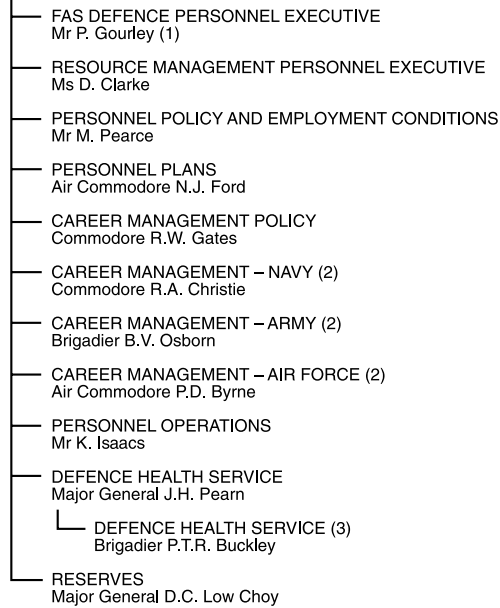


**HEAD DEFENCE PERSONNEL EXECUTIVE  
Major General P.J. Dunn**

**DEFENCE PERSONNEL EXECUTIVE**



**Notes:**

- 1 Responsible to Deputy Secretary Corporate for civilian personnel policy issues.
- 2 Responsive to their respective Chief of Service for single-Service career management.
- 3 1-Star Director-General is responsible for the day-to-day operations of the Defence Health Service.

Effective at 30 June 1999

## GROUP 8: DEFENCE PERSONNEL EXECUTIVE

### OBJECTIVE

To develop integrated personnel policies and services that meet current and future Defence capability and support needs.

### DESCRIPTION

The Defence Personnel Executive develops ADF and civilian personnel policies and practices and provides personnel support services. Defence Personnel Executive also conducts ADF recruiting, provides health policy and advice to the ADF and has technical control of health unit services. The Group manager is the Head of the Defence Personnel Executive. The Group comprises four areas; Personnel Executive, Personnel Policy, Personnel Management and Defence Health Services.

### PERFORMANCE MEASURES FOR 1998-99

The extent to which:

*The personnel management framework, including the roll out of the PMKEYS (Personnel Management Key Solution) personnel management system, facilitates the effective implementation of the Defence Reform Program*

The Personnel Management Key Solution project remains the key enabler for achievement of the efficiencies in personnel management identified by the Defence Reform Program by ensuring that Defence has a single source of accurate and timely personnel data.

During 1998-99, the project team finalised a plan for the phased implementation of the system across the entire Defence organisation and advanced preparation for the implementation of phase one, covering personnel and payroll services for some 16,500 Defence civilian employees, 2,000 officers and instructors of cadets and 1,000 fortnightly payees under the Military Compensation and Rehabilitation Scheme. The current plan is for the first civilian pay to be delivered from the new system on 14 October 1999, some ten months later than scheduled. This slippage was caused by difficulties with technical infrastructure and in obtaining appropriately-skilled personnel for the project.

*Personnel issues are embedded into the Defence longer-term capability development process*

In early 1999, the Defence Capability Committee considered a procedure developed by the Group that sought to integrate the personnel component of capability into the capability development decision-making process. This process is now incorporated into capability development decisions. The committee recognised that the Group undertakes a range of workforce analysis, including the achievability, sustainability and affordability of changing personnel requirements. The Group manager now attends both the Defence Capability Committee and the Defence Executive.

*Stakeholders are satisfied with staff recruited and effectively posted to meet their requirements*

Defence recruited 80% of the ADF full-time (permanent) target and 50% of the part-time (reserve) target. The recruiting environment is becoming increasingly competitive due to the gradual shrinkage of the primary target group of 17-24 year olds, changes in career perceptions and lifestyle expectations, increased competition in the market place for quality applicants and a current high rate of job availability in the community.

Outcomes for the three Services were mixed. Not all non-Service groups were able to be fully staffed due to a shortage in Navy personnel in comparison to demand and the slippage of market testing of positions and gaps occurring in Naval operational elements. The Army Staffing Plan was implemented through detailed consultation with key stakeholders and in accordance with the Chief of Army's priorities. Key stakeholders expressed satisfaction with the level of consultation and the provision of staff within financial guidance. The drawdown of Air Force personnel numbers to the 2001 peacetime establishment of 13,000, together with the slippage being experienced in the market testing of some 3,500 Air Force positions, has resulted in a significant vacancy rate within Air Force positions as at 30 June 1999. To reduce this impact, Career Management (Air Force) staff and the Air Force change management team have continued close liaison with Air Force Headquarters and other Group managers to ensure the highest priority is given to filling positions critical to capability. Career Management (Air Force) staff developed a tool to assist in analysis of Air Force staffing levels across the outputs and Groups. Information on recruiting for the Reserves can be found in the *Performance against Forecast* for 1998-99 section for this Group.

There have been no general recruitment problems with civilian staff, although there have been some particular difficulties with some categories, for example, information technology and project management.

*Approved staffing levels are reached*

The following figures detail the achievement of average funded strength by Service and for civilians for 1998-99.

	<b>Budget Estimate</b>	<b>Revised Estimate</b>	<b>Achieved Average Funded Strength</b>
Navy	13,850	13,748	13,661
Army	24,400	24,426	24,169
Air Force	15,785	15,500	15,065
Civilian	17,131	16,940	16,641

The under-achievement in the average funded strength of the revised estimates for the ADF is due to shortfalls in recruiting for the Army and the Navy and an increased separation rate in all three Services. While this has assisted in drawing down the force towards a 50,000 average funded strength, it will create gaps in certain employment categories which will in turn affect capability.

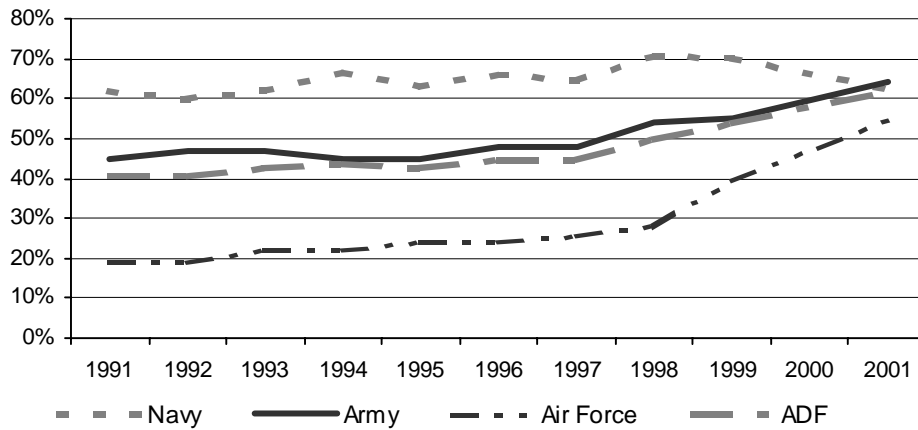
A series of ADF 'lifestyle' multimedia advertisements are scheduled during 1999-2000 in an attempt to dispel some of the more common misconceptions, identified by market research, about the lifestyle associated with an ADF career.

Work continues on the shape and attribution of the 50,000 force. This includes ongoing discussions with each Group to ratify the size and shape of their workforce requirements within the limitations laid down by each Service.

*The proportion of personnel deployable in combat roles is achieved*

In 1996, the proportion of the ADF personnel identified as combat and combat-related was some 42%. Since then, the proportion has increased to be around 55% as at May 1999. The increase has resulted from a combination of factors. The reduction in the numbers of permanent force personnel employed in support roles, the inclusion of Air Force Initial Deployment Force numbers and the Navy's sea-shore ratio have increased the proportion of personnel identified as being employed in combat and combat-related roles. Air Force Initial Deployment Force

support personnel are identified as the primary deployable force. The Air Force expeditionary combat support squadrons, a component of the Initial Deployment Force, are analogous to the Army's brigade administrative support battalions. These elements are essential for the sustainment of combat operations.



*Environmental data, including the ADF attitudes survey, is used in planning, policy development and providing advice.*

The third census of ADF members, conducted at four yearly intervals, was held in March 1999 and, for the first time, included all active Reserve members. Production, analysis and reporting of census data will occur during 1999-2000.

A generic Defence attitude survey and ADF exit survey have been developed to replace the single-Service surveys. Administration and analysis of results to inform management will occur during 1999-2000.

A number of personnel research tasks were undertaken for Defence clients and the results used to inform management decisions. Studies included:

- a literature review and advice on fatigue in operational environments for the Navy;
- development and trialing of tri-Service performance appraisal instruments;
- a survey of the fixed costs of ADF Reserve health specialists;
- occupational analysis of Navy pilots and Army loadmasters to inform training and structural reviews; and
- surveys of gender and sex-related harassment in ADF training institutions.

### PERFORMANCE AGAINST FORECAST FOR 1998-99

- *Continue implementation of the Defence Reform Program recommendations for more efficient and cost-effective management and administration of personnel in the Defence organisation.*

**Partially Achieved as Forecast** On 2 November 1998, the Defence Personnel Executive was restructured to complete the full integration of staff and to align with the functional delivery of services provided by the Group.

A revised implementation plan for the Personnel Management Key Solution project has now been completed. Phase one of the project (now covering personnel and payroll services for Defence civilian employees) is planned to be rolled out on 30 September 1999, with the first civilian pay from the system planned for 14 October 1999.

In May 1999, the concept of rationalisation of civilian personnel administration across Australia into three civilian personnel administration centres was developed. Implementation commenced, in conjunction with the Defence Corporate Support Group, to establish these centres in Sydney, Canberra and Melbourne. Specialist assistance on complex personnel matters will still be available to all locations. The Sydney and Canberra sites also incorporate call services while Melbourne will be confined to transaction processing. Eventually all call services will be located at one site in the Defence Service Centre.

The more cost-effective delivery of health services to members of the ADF within Australia is still being pursued under a strategy aimed at identifying opportunities to rationalise service delivery, including market testing under the Commercial Support Program where appropriate. Pursuant to that strategy, the provision of ADF health services in Victoria, the ACT and southern New South Wales is being market tested. The ADF requirement for pathology, radiology and optometry services is also being reviewed on a national basis. A database enabling more accurate health costing data to be collected has been developed. These activities are being undertaken in consultation with the Department of Veterans' Affairs under the 'Links' project. (In March 1999, project teams in Defence and the Department of Veterans' Affairs were set up to examine the rationalisation of a range of personnel functions between the departments. This group is referred to as the 'Links' project.)

- *Further develop the Defence Human Resource Strategy including strategic personnel policy guidance, workforce, development and action plans*

**Partially Achieved as Forecast** The Defence human resource strategy *Defence—Our People* was published in June 1999. The document details a new approach in the way Defence people are to be managed as well as providing strategic-level guidance to lower-level personnel plans and policies. A new ADF employment framework based on competencies was developed during the reporting period and is to be fully implemented within two years.

A communications strategy for personnel issues was developed and implemented. This resulted in the release of material covering the future of remuneration in Defence. The lessons learnt from this activity, and feedback at the two human resource symposiums held with other Groups, have been applied to subsequent communications initiatives with positive results.

Career Management (Air Force) has reviewed and modified its posting methodology by making significant changes to the airman career management policy. The changes under the new airman career management system achieved a more extensive consultation process and a selection process focused on identifying the best available person for the job.

Defence has a well-developed approach to the management of civilian staff reductions. The measures include a national redeployment network to ensure the redeployment of skilled staff to suitable vacant positions, to facilitate job swaps and to encourage retraining. The Directorate of Civilian Redeployment and Retirement processes and monitors civilian redundancies for the Defence organisation. Defence is considering the recommendations of the Audit Office Report No. 49 *Staff Reductions in the Australian Public Service*, tabled on 29 June 1999, to ensure that its approaches to staff reductions meet all aspects of best practice.

- *Continue equity education and practices in the Defence organisation*

**Achieved as Forecast** Defence expends considerable resources on training its members and employees to inculcate equity and diversity principles as positive values. To this effect, a broad Defence equity training strategy has been developed. The strategy provides training opportunities at all levels of Defence, varying in complexity commensurate with the workplace circumstance. The strategy has four aspects: equity adviser network development and awareness training; equity adviser training; general presentations to commanders, workshops and conferences; and ADF/APS career development equity training courses.

The Defence Equity Organisation has developed and promulgated anti-harassment policy instructions. The instructions define unacceptable behaviour and detail the management of such behaviour as well as incident reporting procedures.

An *ADF Sexual Assault Information Pack* for commanders, managers, complainants and peers was launched in April 1999 to ensure the effective management of any sexual assault incidents. The publication of a booklet *A Guide to Fair Leadership and Discipline* in the ADF was issued in April 1999. The guide addresses commonly held misconceptions about equity and diversity issues and concerns in relation to good conduct and discipline. Furthermore, *Diversity in Defence* was issued in September 1998 to explain and promote workplace diversity.

A comprehensive visit schedule has been put in place to inform senior and middle management of the roles and responsibilities of the Defence Equity Organisation and of equity advisers. The visits are also designed to discuss strategies available to eliminate unacceptable behaviour, to better manage incidents, to establish mediation and resolution mechanisms and to conduct training.

- *Further implement initiatives to improve the recruiting, operational effectiveness and contribution of the Reserve Force*

**Not Achieved as Forecast** The following recruiting outcomes for the reserves were achieved in 1998-99:

	Target	Achieved
Navy	149	30
Army	4,465	2,281
Air Force	146	82

Further investigation of recruiting processes and initial employment training requirements is under way to ascertain whether a more flexible delivery can be provided for those applicants who have other employment or education commitments and experience attendance difficulties in completing training for the required periods.

While the Australian Naval Reserve has, in previous years, experienced under-achievement in terms of allocated funds, the reported impact on the readiness of permanent naval force units has been manageable. However, the Navy has moved in the last fifteen months to redefine the role of the Naval Reserve in a context aligned with the requirements articulated by the Chief of the Defence Force. This redefinition has allowed better integration of permanent and reserve forces and defined more clearly the role of the Australian Naval Reserve for recruitment and training purposes.

Under-achievement of Army recruiting targets in the last financial year occurred despite the ADF recruiting organisation achieving record levels of inquiries for ADF careers. What is clear at this time is that there is rarely one factor that can be attributed to the overall cause for the shortfall. Common induction training has been implemented across the Army since July

1998. A consideration of alternative methods of delivering the recruit component is under way. However, until Army capability requirements are determined, the impact of lower than expected recruiting figures on Reserve capability cannot be ascertained.

The Air Force requirement for active Reserve personnel to meet Permanent Air Force deployment criteria (physical fitness, ground combat readiness etc) is now being enforced. Presently, approximately 70% of active Reservists meet operational deployment criteria. Recruiting targets for the Ground Defence Reserve Group were increased to the limit of current training capability. However, recruiting targets were difficult to achieve and failure rates were unacceptably high. In anticipation of expansion, Reserve squadrons have established training flights and streamlined and modularised initial and deployment training to meet the challenges facing Reservists who find difficulty arranging extended periods of leave from their civilian employers.

- *Improve the effectiveness of health planning, intelligence and delivery across the ADF*

**Achieved as Forecast** The effectiveness of health planning and intelligence has continued to improve through the timely development of strategic health plans for 17 ADF operations and a number of planning contingencies during 1998-99. The development of timely, accurate and effective health intelligence, a refined process and the production of more comprehensive health and environmental information for Australia's region of interest continued to improve.

- *Implement the measures detailed in the Defence Employees Industrial Agreement and the ADF Productivity Based Remuneration Arrangement 1997-99, including the development of remuneration-linked performance management*

**Achieved as Forecast** Defence operates two principal workplace agreements; the Defence Employees Industrial Agreement 1998-99 covering civilian employees and the ADF Productivity Based Remuneration Arrangement 1997-99 governing ADF members. Conditions of service for all Senior Executive Service and executive professionals within Defence are now governed by Australian Workplace Agreements.

The improved conditions provided under the civilian agreement have enhanced the administration of civilian employees. Successor arrangements to the agreement, which expires in October 1999, are being developed. These arrangements will continue to support initiatives flowing from the Defence Reform Program, as well as supporting other changes in administration including the Personnel Management Key Solution project and performance management arrangements. The performance management arrangements for civilian employees were developed by the end of 1998. The arrangements were trialed between January and June 1999 for implementation throughout the organisation from 1 July 1999.

The ADF arrangement expired in April 1999 but remains in force until the Defence Force Remuneration Tribunal endorses a new agreement. This is being developed in conjunction with the civilian arrangements in order to maintain consistency in both outcomes and the implementation of the broader reform agenda. The new arrangement will continue to facilitate the productivity and efficiency reforms introduced under the Defence Reform Program.

Other ADF-specific reforms included the review of ADF pay setting arrangements conducted by Professor Valerie Pratt. The report is now being considered by the Government.

Flexible remuneration packaging was introduced in April 1999 for both the civilian workforce and the ADF. The arrangements are administered by a commercial provider on a fee-for-service basis that is borne by the individual.

- *Review and rationalise personnel policy instructions to ensure innovative, equitable*

*and appropriate employment policies and practices*

**Achieved as Forecast** The Defence Health Service Branch continued to develop and review joint health policies. It issued 11 Defence Instructions (General), 24 health policy directives and three health information bulletins.

There were 12 updated and revised policies issued on employment in the ADF covering appointments, postings, career flexibility issues, general service requirements and civilian authority in an integrated environment.

Two reviews concerning honours and awards and veterans' entitlements were initiated. They were 'The End of War List - Vietnam Review' and a 'Review of Service Entitlement Anomalies in South East Asia between 1955 and 1975'. A booklet entitled *Campaign and Operational Medals Awarded to the Australian Defence Force* was published which illustrates campaign medals and their ribbons and provides a brief description of the eligibility for each award.

Defence introduced a revised civilian recruitment and selection policy. The new procedures are quicker, simpler, more flexible and focus on outcomes. Powers have been devolved to ADF and APS line managers of civilian staff. Line areas are responsible for filling their civilian vacancies. Defence Corporate Support Group recruitment units offer a range of support services while managers can adapt assessment methods according to the requirements of each vacancy.

Defence introduced a new 'fitness for duty' policy for its civilian employees. The policy takes advantage of the flexibility provided by the Government's March 1998 reforms to the APS employment framework. The overall interest of the department and its staff are best served by seeking to facilitate the return to work of injured or ill staff as soon as practicable. Accordingly, the new policy focuses on the responsibilities of supervisors, working with case managers, to achieve an early return to work of sick or injured staff to the same job in the same workplace. Where it is not feasible for health reasons for an employee to return to the duties previously performed, the policy introduced a new administrative mechanism for facilitating the redeployment of such sick or injured staff.

The new policy also streamlined procedures for handling disputes between the department and civilian staff regarding the consideration of medical evidence in non-compensation cases. The previous tripartite medical panel arrangements have been replaced by a process whereby a suitably-qualified medical specialist provides a medico-legal assessment as part of an independent review and furnishes a single report which then forms the basis for further decision making by the department.

A range of leave entitlements were streamlined including the devolution of the approval power to ADF and APS personnel for annual leave, special leave, bereavement leave and certain types of other leave. The requirement to submit leave forms for certain types of absences was abolished, further reducing personnel administration costs.

In May 1998, Mr Noel Tanzer AC was appointed to conduct a review of the Military Compensation Scheme. The review examined options for a single peacetime compensation scheme, which covers only military personnel and recognises the different nature of military service from civilian employment. Mr Tanzer completed the review in March 1999 and his final report has been handed to the Minister Assisting the Minister for Defence. The report recommends that a new single scheme covering all service, short of a major declared war, be established for the ADF. It also advocates a holistic approach to injury prevention and management in the ADF by integrating safety, rehabilitation and compensation elements into one scheme. The review is now being considered by the Government.

In 1997-98, Ms Sue Rabbitt Roff prepared and published a report on her study of the illness and mortality of members of the armed forces of the United Kingdom and New Zealand who were involved in the British atomic weapons tests in Australia and in the Pacific in the 1950s and 1960. In January 1999, the Minister Assisting the Minister for Defence asked the eminent epidemiologist Professor John Kaldor, of the University of New South Wales, to examine the methodology used by Ms Rabbitt Roff in conducting her study and to comment on the validity of her findings and any potential implications for those Australians whose health may have been affected by the atomic weapons tests in Australia. (Professor Kaldor's report was received in July 1999 and has since been released publicly.)

## RESOURCES

**Table 8.1: Defence Function Outlays 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	%
8.1 Personnel Executive	278.1	441.3	354.1	-87.2	-19.8
8.2 Personnel Policy	275.3	274.3	276.7	2.4	0.9
8.3 Personnel Management	383.1	351.4	304.6	-46.7	-13.3
8.5 Defence Health Services	149.8	143.6	151.8	8.3	5.8
<b>Group Total</b>	<b>1,086.3</b>	<b>1,210.5</b>	<b>1,087.3</b>	<b>-123.2</b>	<b>-10.2</b>

**Table 8.2: 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	%
8.1 Personnel Executive	433	441	427	-14	-3.2
8.2 Personnel Policy	1,811	1,803	1,740	-63	-3.5
8.3 Personnel Management	1,991	1,969	2,107	138	7.0
8.4 Defence Health Services	1,464	1,409	1,453	44	3.1
<b>Group Total</b>	<b>5,699</b>	<b>5,622</b>	<b>5,727</b>	<b>105</b>	<b>1.9</b>

**Table 8.3: Staffing Profile**

Personnel		Sub-Group					Total
		8.1	8.2	8.3	8.4	8.5	
Permanent Force	98-99 Budget	341	709	667	1,239	0	2,956
	98-99 Revised	341	710	668	1,239	0	2,958
	98-99 Actual	341	710	668	1,239	0	2,958
Reserves	98-99 Budget	0	798	337	4	0	1,139
	98-99 Revised	0	798	312	4	0	1,114
	98-99 Actual	0	711	541	57	0	1,309
Civilian	98-99 Budget	92	304	987	221	0	1,604
	98-99 Revised	100	295	989	166	0	1,550
	98-99 Actual	86	319	898	157	0	1,460
<b>Total</b>	<b>98-99 Budget</b>	<b>433</b>	<b>1,811</b>	<b>1,991</b>	<b>1,464</b>	<b>0</b>	<b>5,699</b>
<b>Personnel</b>	<b>98-99 Revised</b>	<b>441</b>	<b>1,803</b>	<b>1,969</b>	<b>1,409</b>	<b>0</b>	<b>5,622</b>
	<b>98-99 Actual</b>	<b>427</b>	<b>1,740</b>	<b>2,107</b>	<b>1,453</b>	<b>0</b>	<b>5,727</b>

### 1998-99 Defence Reform Program Progress

The Defence Personnel Executive consolidated five former personnel organisations into one. The structure of Defence Personnel Executive is being further refined as the organisation matures and the role of the Defence Personnel Executive is defined. The continued rationalisation of personnel requirements, and associated savings, will continue as the organisation matures and civilian and military personnel functions are further integrated as appropriate. The formation of the Defence Health Service from the three Service health organisations has enabled the centralised control of health activities and significant rationalisation of health policies and plans.

The contract for the new integrated, single personnel management system has been signed. Work continues on the implementation and development of the system within Defence with the civilian payroll function to be undertaken by the system in October. The system will also enable, and assist with, the achievement of significant Defence Reform Program related savings, especially those associated with the establishment of the Defence Service Centre.

**Table 8.4: 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	%
Defence Command and Management	1.2	0.8	0.6	-0.2	-25.0
Intelligence	0.2	0.1	0.1	0	0
Acquisition and Industry	0.5	0.2	0.2	0	0
Science and Technology	0.1	0.1	0	-0.1	-100.0
Facilities and Long-Term Force Disposition	0.4	0.2	0.1	-0.1	-50.0
Logistics	4.8	3.0	2.2	-0.8	-26.7
Personnel Planning	25.1	30.3	27.0	-3.3	10.9
Education and Training	2.0	1.2	0.9	-0.3	-25.0
Administrative Support	16.3	13.7	9.7	-4.0	-29.2
Information Management	0.7	0.4	0.3	-0.1	-25.0
Superannuation	4.3	4.6	4.6	0	0
<b>Total</b>	<b>55.6</b>	<b>54.6</b>	<b>45.7</b>	<b>-8.9</b>	<b>16.3</b>

**Table 8.5: 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	%
Personnel Policy	425	425	425	0	0
<b>Total Personnel Reductions</b>	<b>425</b>	<b>425</b>	<b>425</b>	<b>0</b>	<b>0</b>

**Table 8.6: 1998-99 Defence Reform Program Personnel Reductions - APS**

Category	1998-99	1998-99	1998-99	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(98-99 Actual less Revised Estimate)	
	Personnel Numbers			No	%
Personnel Policy	402	110	110	0	0
<b>Total Personnel Reductions</b>	<b>402</b>	<b>110</b>	<b>110</b>	<b>0</b>	<b>0</b>

**Table 8.7: 1998-99 Defence Reform Program Reinvestment**

Category	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	0.1	0.1	0.2	0.1	100
Transition Costs	57.9	119.3	9.6	-109.7	-91.9
<b>Total</b>	<b>58.0</b>	<b>119.4</b>	<b>9.8</b>	<b>-109.6</b>	<b>-91.8</b>

**Table 8.8 Reconciliation of Appropriations for the Defence Personnel Executive Group**

Divison/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	276.6	241.7	220.6	-21.0	-8.7
Civilian Personnel	139.6	129.4	73.2	-56.2	-43.4
Administrative Expenses	436.5	546.0	524.0	-22.0	-4.0
180-02 Other Services	125.4	125.4	110.9	-14.6	-11.6
181 Equipment & Stores	12.7	18.3	12.1	-6.2	-34.0
184 Defence Housing	233.2	291.3	289.9	-1.4	-0.5
<b>Sub Total</b>	<b>1,224.1</b>	<b>1,352.0</b>	<b>1,230.6</b>	<b>-121.4</b>	<b>-9.0</b>
Special Appropriations					
- MSBS Retention Benefit	16.0	16.0	15.7	-0.4	-2.4
- Housing Loan Assistance Scheme	5.5	4.0	3.6	-0.4	-9.0
- DETYA Subsidies	0.1	0.2	0	-0.2	-100.0
- Other Departments	-2.5	-2.8	-19.0	-16.2	576.2
<b>Total Defence Function Appropriations (A)</b>	<b>1,243.1</b>	<b>1,369.5</b>	<b>1,231.0</b>	<b>-138.5</b>	<b>-10.1</b>
Total Defence Function Receipts (offset within outlays) (B)	-156.8	-158.8	-143.5	15.3	-9.6
<b>Total Defence Function Outlays (C) = (A+B)</b>	<b>1,086.3</b>	<b>1,210.7</b>	<b>1,087.3</b>	<b>-123.2</b>	<b>-10.2</b>
Non-Defence Function Outlays					
- DFRDB Payments	1,071.5	971.3	987.1	15.8	1.6
- MSBS Payments	167.1	178.9	178.1	-0.8	-0.5
- DFRDB Contributions	-42.2	-43.6	-42.0	1.5	-3.5
- MSBS Contributions	-36.5	-47.4	-57.2	-9.9	20.8
Total Non Defence Function Outlays (D)	1,159.9	1,059.2	1,065.9	6.7	0.6
DoFA - Advance to States under Commonwealth-States Housing Agreement	-2.5	-2.8	-19.0	-16.2	576.2
<b>Total Portfolio Outlays (F) = (C+D)</b>	<b>2,248.8</b>	<b>2,272.6</b>	<b>2,172.3</b>	<b>-100.3</b>	<b>-4.4</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 8.9: Major Variations between 1998-99 Revised Estimate and 1998-99 Actual Outcome**

Appropriation	\$m
180-01 RUNNING COSTS	
<b>Service Personnel (-\$21.0m)</b>	
Higher than anticipated requirement for rental assistance single members	1.9
Miscellaneous minor variations	-0.3
<b>Defence Reform Program Gains</b>	
Non achievement of rental assistance single members DRP savings	0.7
<b>Defence Reform Program Reinvestment</b>	
Reduced requirement for Defence Reform Program Transition Costs	-12.0
Allocation of centrally held provision for redundancies	-11.3
<b>Civilian Personnel (-\$56.2m)</b>	
Non requirement of centrally held TASO scheme provision	-1.9
Miscellaneous minor variations	0.4
<b>Defence Reform Program Reinvestment</b>	
Reallocation to Administrative Expenses for Tier 1 and 2 training linked to the Portfolio redundancy program	-3.9
Allocation of centrally held provision for redundancies	-50.8
<b>Administrative Expenses (-\$22.0m)</b>	
Increased requirement due to the introduction of the fast jet pilot selection scheme	2.5
Lower than anticipated FBT liability costs	-2.3
Miscellaneous minor variations	1.1
<b>Defence Reform Program Gains</b>	
Non achievement of removals DRP savings	5.0
Non achievement of health DRP savings	3.2
<b>Defence Reform Program Reinvestment</b>	
Reallocation from civilian salaries for tier 1 and 2 training linked to the Portfolio redundancy program	3.9
Reprogramming of Defence Service Centre setup costs due to delays in sight selection	-13.0
Allocation of centrally held provision for DRP transition costs	-22.5
<b>180 OTHER SERVICES (-\$14.6m)</b>	
Lower than anticipated claims for one-off ex gratia payments for ADF compensable injuries	-0.6
Reduced compensation and legal expenses due to a continued levelling off in the number of claimants	-13.9
<b>181 EQUIPMENT AND STORES (-\$6.2m)</b>	
Reprogramming of transition costs for the Defence Service Centre due to delays in the site selection	-2.8
Lower than anticipated costs relating to PMKEYS partially due to slippage in the project	-2.9
Miscellaneous minor variations	-0.5

Appropriation	\$m
<b>184 DEFENCE HOUSING (-\$1.4m)</b>	
Impact of a slower than anticipated reduction in DHA housing stock	0.4
Impact of a fewer than forecast married members in receipt of rental assistance	-1.8
<b>SPECIAL APPROPRIATIONS (-\$17.2m)</b>	
<b>MSBS Retention Benefit</b>	
Lower than anticipated number of members taking up the retention option	-0.4
<b>Housing Loan Assistance</b>	
Lower than anticipated number taking up assistance combined with a lower than predicted interest rate	-0.4
<b>DEWRSB Subsidies</b>	
Lower than anticipated requirement for the DEWRSB schemes	-0.2
<b>Other Departments</b>	
Due to the Victorian Government discharging its debt to the Commonwealth	-16.2
<b>DEFENCE PORTFOLIO RECEIPTS (\$15.3m)</b>	
Lower than anticipated rations and quarters receipts due to less than expected members living in and a change in the payment regime	16.7
Miscellaneous minor variations	-1.3
<b>NON-DEFENCE FUNCTION (\$15.0m)</b>	
<b>Defence Force Retirement and Death Benefits (DFRDB)</b>	
Higher than anticipated level of resignations of members reaching 20 years of service	15.8
<b>MSBS Receipts</b>	
Lower than anticipated increase in average value of benefit	-0.8
<b>NON DEFENCE FUNCTION RECEIPTS (-\$8.4m)</b>	
<b>Defence Force Retirement and Death Benefits (DFRDB) Contributions</b>	
Lower than anticipated contributions	1.5
<b>MSBS Receipts</b>	
Higher than anticipated receipts due to a large payment by the fund, as a result of a reconciliation of member accounts since 1991	-9.9

