

PROGRAM THIRTEEN: DEFENCE 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 Program 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 Program has a central role in achieving savings from corporate services for transfer to Defence capability.

The Program Manager is the Head, Defence Corporate Support. The Program comprises four Sub-Programs:

- 13.1 Corporate Support: develops policies for the provision of integrated corporate support services, manages market testing and specific Defence-wide support functions, and provides executive support for the Program.
- 13.2 Base Support: delivers corporate services and administrative support to Defence throughout Australia.
- 13.3 Public Information: formulates policy and delivers public information services within and outside Defence.
- 13.4 Legal: provides legal advice and support to the Defence organisation.

STRATEGIES FOR 1998-99

In pursuit of Defence and Program objectives, the Program will:

- a. develop a regionally-based corporate support service, with standards of services set under Service Level Agreements and commercial contracts;
- b. commence implementing the plans to rationalise and market test clerical and administrative services;
- c. rationalise and market test garrison support functions within or across regions through the Commercial Support Program or other competitive testing;
- d. continue to implement the plan to rationalise Defence legal services, both in Canberra and in the regions, with a view to more effective and efficient delivery;

- e. implement the energy management plan to maximise savings potential for Defence;
- f. implement the plans to rationalise, and market test as appropriate, national domestic corporate support functions such as publishing and libraries; and
- g. rationalise the Defence Public Information structure and service delivery.

PERFORMANCE MEASURES FOR 1998-99

The extent to which:

- a. corporate support services meet the standards required by Defence Programs;
- b. professional services (including legal and public information services) contribute to good decision making within Defence, as indicated by internal client feedback and the outcomes of external reviews and, where appropriate, to positive perceptions of Defence in the Australian community;
- c. all services are provided in an increasingly cost-effective manner;
- d. Defence achieves more efficient energy usage and lower energy prices; and
- e. the Program identifies and achieves its savings targets.

PERFORMANCE FORECASTS FOR 1998-99

In support of Defence objectives, the Defence Corporate Support Program will:

- deliver corporate services to Defence Programs that meet their requirements as set out in service level agreements, statements of requirements, and contracts;
- complete rationalisation and market testing of garrison support functions in nine of 12 regions and commence market testing in the remaining three;
- complete rationalisation of management and clerical and administrative services in all regions, and commence market testing in at least two;
- deliver services from a single fully-functional Defence Legal Organisation, and establish a legal panel for litigation;
- complete the rationalisation of libraries and publishing including the establishment of a Defence Library Service and Defence Publishing Agency respectively;
- 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;

- deliver public information services from a single fully functional Defence Public Information Organisation, and through this organisation formulate and disseminate a new Defence public information strategy, revise and update guidance on *Defence Public Information in Times of Tension and Conflict*, and conduct a public opinion benchmark survey;
- complete a review of the way ahead for Woomera, taking account of the planned closure of the joint facility at Nurrungar, and commence implementation;
- develop and implement a common Defence policy for the management of training areas and ranges;
- provide regionally-based Defence States/Territories support and liaison, and centrally managed protocol and visits services for the Defence Portfolio; and
- deliver savings, in 1998-99, of \$60.3m from the above initiatives for reallocation to capability.

RESOURCES

Table 13.1: Defence Function Outlays Summary

Sub-Program	1997-98	1997-98	1997-98	1998-99	Variation	
	Budget	Revised	Estimated	Budget	98-99 Budget less 97-	
	Estimate	Estimate	Outcome	Estimate	98 Outcome	%
	\$'000	\$'000	\$'000	\$'000	\$'000	%
13.1 Corporate Support	77,707	30,814	75,420	107,862	32,442	43.0
13.2 Base Support	422,631	579,847	563,641	451,362	-112,279	-19.9
13.3 Public Information	4,800	8,848	7,037	9,252	2,215	31.5
13.4 Legal	5,730	37,439	25,762	16,021	-9,741	-37.8
Program Total	510,868	656,948	671,860	584,497	-87,363	-13.0

Table 13.2: Staffing Summary

Sub-Program	1997-98	1997-98	1997-98	1998-99	Variation 98-99	
	Budget	Revised	Estimated	Budget	Budget less 97-98	
	Estimate	Estimate	Outcome	Estimate	Outcome	%
	Personnel Numbers					
13.1 Corporate Support	116	149	210	174	-36	-17.1
13.2 Base Support ⁽¹⁾	4,127	7,532	7,108	4,965	-2,143	-30.1
13.3 Public Information	48	79	94	101	7	7.4
13.4 Legal	96	109	106	100	-6	-5.7
Program Total	4,387	7,869	7,518	5,340	-2,178	-29.0

Note:

1. This table includes Trust Account staff at Woomera (99 in 1997-98, 89 in 1998-99) from the 1997-1998 Revised Estimate onwards. They were held against the Defence Personnel Executive for the 1997-98 Budget Estimate.

Table 13.3: Staffing Profile ⁽¹⁾

Personnel		Sub-Program				Total
		13.1	13.2	13.3	13.4	
Permanent Force	97-98 Revised	102	4,260	43	41	4,446
	97-98 Estimated	65	4,151	43	40	4,299
	98-99 Budget	66	2,311	43	40	2,460
Reserves	97-98 Revised			3	39	42
	97-98 Estimated		184	1	35	220
	98-99 Budget		184	1	35	220
Civilian	97-98 Revised	47	3,272	33	29	3,381
	97-98 Estimated	145	2,773	50	31	2,999
	98-99 Budget	108	2,470	57	25	2,660
Total Personnel	97-98 Revised	149	7,532	79	109	7,869
	97-98 Estimated	210	7,108	94	106	7,518
	98-99 Budget	174	4,965	101	100	5,340

Note:

1. This table includes Trust Account staff at Woomera (99 in 1997-98, 89 in 1998-99) from the 1997-1998 Revised Estimate onwards. They were held against the Defence Personnel Executive for the 1997-98 Budget Estimate.

Table 13.4: Defence Portfolio Outlays Summary

Division/Appropriation Item	1997-98	1997-98	1997-98	1998-99	Variation	
	Budget Estimate	Revised Estimate	Estimated Outcome	Budget Estimate	98-99 Budget less 97-98 Outcome	%
	\$'000	\$'000	\$'000	\$'000	\$'000	%
180-01 RUNNING COSTS						
Service Personnel	111,039	235,077	231,269	136,190	-95,079	-41.1
Civilian Personnel	89,869	127,552	119,475	102,057	-17,418	-14.6
Administrative Expenses	175,792	185,178	166,950	174,414	7,464	4.5
Facilities Operations	923					
180-02 OTHER SERVICES	7,435	33,622	21,495	11,958	-9,537	-44.4
181 EQUIPMENT & STORES	117,766	97,421	145,132	172,510	27,378	18.9
185 DEFENCE FACILITIES	11,763					
SPECIAL APPROPRIATIONS						
DEETYA Subsidies	1,000					
Total Defence Function Appropriations (A)	515,587	678,850	684,321	597,129	-87,192	-12.7
Total Defence Function Receipts (Offset Within Outlays) (B)	-4,719	-21,902	-12,461	-12,632	-171	1.4
Total Defence Function Outlays (A+B)	510,868	656,948	671,860	584,497	-87,363	-13.0

Defence Reform Program

The Defence Corporate Support Program initiatives relate to the rationalisation and market testing of garrison support and clerical and administrative services across Defence bases Australia-wide, and a number of national functions including travel, publishing and libraries. They also cover the rationalisation of legal and public information services.

Table 13.5: Estimated DRP Savings ^{(1) (2)}

Category (\$m)	1997-98	1998-99	1999-00	2000-01	2001-02	Mature
Administrative Support:						
Rationalisation and Market Testing of Garrison Support and Clerical and Administrative Support Functions	21.1	21.4	33.6	54.3	55.2	55.2
Rationalisation of other Corporate Support Functions (travel, legal and publishing)	1.0	1.1	2.1	3.1	3.1	3.1
Attributed Service Salary Savings	5.2	74.8	138.2	210.8	213.0	213.0
(Provision for contractor support)	-10.7	-37.0	-103.1	-201.5	-219.8	-219.8
Total	16.6	60.3	70.8	66.7	51.5	51.5

Notes:

- Totals may not add due to rounding.
- The savings in this program are net of contractor support, but do not represent the total saving to Defence. Efficiencies are also gained in the Defence Personnel Executive and Defence Estate as a result of reduced personnel numbers.

Table 13.6: Estimated Cumulative DRP Personnel Savings

Category	1998-99		1999-00		2000-01		2001-02		MATURE	
	ADF	APS	ADF	APS	ADF	APS	ADF	APS	ADF	APS
Administrative Support	1,577	876	2,908	1,155	4,542	1,365	4,542	1,365	4,542	1,365
Total	1,577	876	2,908	1,155	4,542	1,365	4,542	1,365	4,552	1,365

Table 13.7: Estimated Cumulative Reallocation of DRP Savings

Category (\$m)	1997-98	1998-99	1999-00	2000-01	2001-02	Mature
Net Personnel & Operating Costs		0.5	1.1	1.2	1.4	1.4
Total		0.5	1.1	1.2	1.4	1.4

Table 13.8: Explanation of Major Variations

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 13.4	(\$'000)	%
Defence Function Outlay (1997-98 Estimated Outcome)	671,860	
180-01 RUNNING COSTS		
<i>Service Personnel</i>		
Real Variations		
Variations to attributions and rank profile structure following the refinement of post-DRP Program structures and Service personnel baselines	8,142	
Increased provision due to one-off savings in 1997-98 in Permanent Naval Force and Permanent Air Force salaries	4,250	
Increased provision associated with ADF Workplace Bargaining Agreement	3,711	
Reduction in Army Reserve salaries required in 1998-99	-248	
Reduced provision for Permanent Military Force allowances	-430	
Variations in Accrual Based Superannuation payments resulting from the impact of pay increases, revised Employer Contribution Rates and movements in average staffing levels	-8,044	
Variation in 3% Productivity Benefits payments resulting from movements in average staffing levels and changes in per capita rates, including the impact of pay increases	-8,988	
Miscellaneous minor variations	-192	
DRP Savings		
Related to Administrative Support	-69,558	
Transfers		
Transfer of Living Out Allowance to Program 8 arising from the Housing and Accommodation Policy Review	-1,642	
Transfer to Program 2 for Command Elements of Naval Establishments	-22,080	
Total Service Personnel	-95,079	-41.1
<i>Civilian Personnel</i>		
Real Variations		
Variation in 3% Productivity Benefits payments resulting from movements in average staffing levels and changes in per capita rates.	-331	
Non-recurrence of one-off 1997-98 provision for the Trainee Administrative Service Officer scheme	-432	
Variations in Accrual Based Superannuation payments resulting from revised Employer Contribution Rates and movements in average staffing levels	-774	
Variation in civilian salaries to reflect personnel reductions and Defence Corporate Support per capita	-4,718	
Miscellaneous minor variations	177	

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 13.4	(\$'000)	%
DRP Savings		
Provision for Contractor Support	4,000	
Related to Administrative Support	-11,121	
DRP Reinvestment		
Non-recurrence of costs of 1997-98 DRP redundancies	-2,207	
Transfers		
Net Program transfers, principally relating to Command Elements of Naval Establishments	-2,012	
Total Civilian Personnel	-17,418	-14.6
<i>Administrative Expenses</i>		
Real Variations		
Variation in ACT Office Cleaning Contract funding	661	
Variation in Fringe Benefits Tax payments	-847	
Miscellaneous minor variations	-88	
DRP Savings		
Provision for Contractor Support	2,500	
Non-recurrence of one-off 1997-98 savings associated with Administrative Support	2,369	
DRP Reinvestment		
New Capabilities – Net Personnel and Operating Costs	459	
Transfers		
Net Program transfers	-29	
Price/Exchange Variations		
Movement from 1997-98 Budget to 1998-99 price and exchange parameters	2,439	
Total Administrative Expenses	7,464	4.5
180-02 OTHER SERVICES		
Real Variations		
Increase in discretionary grant to Royal United Service Institute to fund the creation of a National Secretariat	30	
Variation in Woomera Operating Costs	11	
Reduced provision for Voyager compensation claims	-1,500	
Variation in anticipated legal expenses	-8,188	

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 13.4	(\$'000)	%
Price/Exchange Variations		
Movement from 1997-98 Budget to 1998-99 price and exchange parameters	110	
Total Other Services	-9,537	-44.4
181-00 EQUIPMENT AND STORES		
Real Variations		
Full year effect of Puckapunyal Garrison Support contract increase due to move of School of Artillery from Middle Head	1,354	
Net effect of retrospective price and exchange movement	-1,827	
Variation in Minor Capital funding	-1,099	
Miscellaneous minor variations	-695	
DRP Savings		
Provision for Contractor Support	18,681	
Non recurrence of one-off 1997-98 savings associated with Administrative Support	8,300	
Transfers		
Transfer to Program 13 for Directorate of Information Management and Services' equipment	1,985	
Net Program transfers	-141	
Price/Exchange Variations		
Movement from 1997-98 Budget to 1998-99 price and exchange parameters	820	
Total Equipment and Stores	27,378	18.9
Total Defence Function Appropriations Variation (A)	-87,192	-12.7
DEFENCE RECEIPTS		
Price/Exchange Variations		
Movement from 1997-98 Budget to 1998-99 price and exchange parameters	-171	
Total Defence Receipts Variation (B)	-171	1.4
Total Defence Function Outlay Variation (A+B)	-87,363	-13.0
TOTAL DEFENCE FUNCTION OUTLAY (1998-99 BUDGET ESTIMATE)	584,497	