

PROGRAM THREE: ARMY

OBJECTIVE

To provide a potent, versatile and modern Army to promote the security of Australia and protect its people and interests.

DESCRIPTION

The Army Program provides land forces that contribute to the ADF's capacity to defeat attacks against Australia, defend regional interests, defend global interests, shape the strategic environment and protect national interests. Capabilities include the capacity to defeat incursions on, and recapture, Australian territory; to seize and protect forward operating bases; to conduct surveillance and reconnaissance operations; to conduct special operations; to conduct Special Recovery, Counter Terrorist and Combat Search and Rescue operations; to provide Service Assisted and Service Protected Evacuation; to provide command, control, communications and information to support tasks; to provide operational-level sustainment of land-based operations; and to provide humanitarian assistance.

The Program Manager, the Chief of Army, commands the Army and is responsible for the preparation of forces for the conduct of land operations, efficient and effective strategic management of the Program and the future development of the Army. The Army Program comprises three Sub-Programs:

- 3.1 Combat Forces: maintains land forces capable of dealing with peacetime operational tasks and the types of security threats that could arise in the shorter term; together with land forces capable of mobilisation; and, if required, the Combat Forces Sub-Program encompasses the capabilities necessary to exercise command and control, conduct operations, sustain deployed forces and support Commander Australian Theatre by providing planning and operation staff.
- 3.2 Executive: provides strategic level support to the Chief of Army to meet command and program management responsibilities (including accountability) for the achievement of agreed Army objectives, and to meet advisory and support functions for the Chief of the Defence Force and the Secretary of the Department of Defence.
- 3.3 Training: provides Service-specific individual training and single Service management of specified individual joint-training activities, the development of doctrine for Army operations, the management of international training and training exchanges, the provision of capability development, battle simulation support, Army bands and control of the Army Cadet Corps.

In managing the Army and achieving Army targets for FY1998-99, the Chief of Army will draw on an agreed level of support and resources from other Programs, particularly Support Command, Defence Personnel Executive and the Defence Corporate Support Program.

STRATEGIES FOR 1998-99

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

- a. provide modern, technologically-enhanced forces ready to win the land battle in joint and combined operations through knowing, prioritising and delivering required capabilities; the *Restructuring the Army* initiative; maintaining capabilities at designated preparedness levels; planning for mobilisation; exploiting technology to enhance capabilities; and undertaking future force development by identifying and analysing capabilities required of post-2005 land forces.
- b. manage resources effectively and efficiently to achieve Army's mission by identifying, quantifying, justifying, and acquiring resources, and optimising their allocation and usage;
- c. participate effectively in strategic and operational planning, and the command and control of joint and combined activities;
- d. provide effective and efficient support to operations and training;
- e. identify, produce and apply relevant doctrine; and achieve excellence in training through efficient and effective delivery and applying relevant technologies, including simulations;
- f. influence the development of personnel policies and practices that recognise the special nature of Army service, reflect wider community standards, and enhance the attraction of a career in the Army;
- g. create a working environment that provides every individual with an opportunity to participate and contribute to their full capacity; and
- h. maintain strong relationships within the Defence organisation with the armies of allies and regional nations and with the community through fostering an understanding of the key characteristics of land warfare within the Defence organisation; optimising interoperability with the United States and other allied defence forces; improving mutual transparency and operational compatibility with regional defence forces; promoting an understanding of, and support for, the Army within the Australian community; and ensuring the Army Cadet Corps reflects Government policy.

PERFORMANCE MEASURES FOR 1998-99

The Army's performance will be measured by the extent to which:

- a. Army meets ADF operational requirements and is able to conduct effective land operations;
- b. objectives and outcomes of *Restructuring the Army* and the Defence Reform Program are achieved;
- c. the Army Program planning, management and budgeting processes support the economic use of available resources to deliver agreed outputs;
- d. the lessons from Army, joint and combined exercises and operational experience are incorporated into war-fighting doctrine; and individual training and education meets user requirements;

- e. interoperability with the United States, New Zealand, Britain and Canada and compatibility with regional forces is optimised; and
- f. provision of emergency and non-emergency assistance is successful, and public understanding and support for the Army is achieved.

PERFORMANCE FORECAST FOR 1998-99

In support of Defence and Army objectives and outputs, Army will:

- enhance output capability for Land Task Force and Special Forces operations, Ground Based Air Defence and operational-level sustainment of land-based operations by:
 - improving operational effectiveness and achieving ADF operational requirements, including the objectives of directed joint and combined exercises¹ described in Tables 3.1 and 3.2 and the objectives of the international activities described in Table 3.3;
 - achieving training, preparedness and support task requirements within the planned flying hours detailed in Table 3.4;
 - introducing into service new major capital equipment, including two Chinook helicopters, medium recovery vehicles, night fighting equipment, combat net radios (Project Wagtail), a tactical trunk communication system, global positioning systems for ADF foot and mounted units, the initial upgrade of the M113 family of vehicles and clip-on night-sights for the RBS 70 Short-Range Air Defence Weapon System;
 - introducing into service new minor capital equipment, including hot weather combat boots, the Tactical Engagement Weapons System, the Weapons Training Simulation System and a sniping system;
 - further enhancing Army capability through the trial and evaluation of concepts outlined in *Restructuring the Army*;
 - continuing the rationalisation of the structure supporting the delivery of individual training and education through:
 - the creation of a Special Forces Training Centre and an Aviation Training Centre;
 - further developing and refining training and education programs against competency requirements;
 - developing doctrine for capability development;
 - continuing the implementation of Common Induction Training;
 - further developing the Combined Arms Training and Development Centre; and
 - continuing the integration of courses for full-time and part-time soldiers against common core competencies;

¹ The Land Command Program of Directed Activities includes 51 activities to maintain capability for Land Task Force operations, 30 activities to maintain capability for Special Forces operations, one specific activity directed to maintaining the capability for Ground Based Air Defence and one specific activity directed to maintaining the capability for operational sustainment of land-based operations.

- maintaining effective international relationships and contribute to international activities through individual training exchanges, combined exercises and Defence Cooperation activities;
- contributing effectively to National Support Tasks including the progression of the ATSID Army Community Assistance Project; and
- implementing Army aspects of the Defence Reform Program.

EXERCISES FOR 1998-99

Table 3.1: Joint Exercises

EXERCISE	FORCES	EXERCISE OBJECTIVE
Phoenix	Restructured Task Force	To test a restructured Task Force in operations to defeat attacks on Australia
Swift Canopy	Parachute Battalion Group and RAAF	To practise the Parachute Battalion Group in Airborne Force operations focusing on securing 'points of entry' for further Land Force Element deployments
Samichon Eagle	Infantry Battalion	To test the readiness of a selected Land Command unit to defeat attacks on Australia
Spiderman	General Reserve Infantry Brigade	To validate aspects of vital asset protection contingency plans at the Brigade level
Initial Landing	Infantry battalion and RAN	To practise selected Land Command units in amphibious operations, necessary to move and deploy extensively-equipped and resourced Land Force elements
Sea Snake	Infantry Sub-Unit (Company)	To test the readiness of a selected Land Command sub-unit to defeat attacks on Australia
Day Anchor	SAS Squadron	To practise special recovery techniques involving ships at anchor
Pegasus Moon	SAS Regiment	To maintain Special Forces insertion techniques utilising the parachute capability
Oprex	SAS Squadron	To exercise the provision of Defence Force Aid to the Civil Power at the operational level
Natex	SAS Squadron	To exercise the provision of Defence Force Aid to the Civil Power at the national level
Platypus Moon	SAS Regiment	To exercise procedures for the insertion of Special Forces using

EXERCISE	FORCES	EXERCISE OBJECTIVE
		parachute load follow techniques into water
Western Moon	SAS Squadron	To practise Special Operations techniques
Day Rotor	SAS Squadron	To exercise air assault techniques
Dusk Series	SAS Squadron	To exercise the oncoming Special Recovery Squadron at the completion of handover training
Day Flash	SAS Squadron	To conduct Special Recovery Exercise in an airport environment (triannually)

Table 3.2: Combined Exercises

EXERCISE	FORCES	EXERCISE OBJECTIVE
Swift Eagle	Ready Deployment Force, RAAF and NZ Defence Force (NZDF)	To test Ready Deployment Force and logistic support in 'Defence of Australia' scenarios
Rainbow Serpent	Deployable Joint Force HQ (hosting HQs from UK, US and Canada)	To evaluate the effectiveness of procedures between US, UK, Canadian and Australian Armies by conducting a divisional level command post exercise
Longreach	Deployable Joint Force HQ and HQ PNG Defence Force (PNGDF)	To practise Deployable Joint Force HQ staff in operational and contingency planning with PNGDF
Helicon Luk	Army Aviation Regiment Element	To practise Army Aviation rotary-wing aircraft in high altitude flying in PNG
Highland Pursuit	Army Aviation Regiment Element	To practise Army Aviation fixed-wing aircraft in high altitude flying in PNG
Chapel Gold	Australian Rifle Company and Thailand Battalion	To practise combined operations requiring interoperability at a tactical level with elements of the Thai Army
Pacific Bond	Rifle Company exchange	To practise combined operations requiring interoperability at a tactical level with elements of the US Army
Suman Warrior	Infantry Battalion HQs from Australia, US, UK, NZ and Malaysia	To exercise the armies of the Five Power Defence Arrangements in combined operations by conducting a brigade to unit-level Command Post exercise
Mallee Bull	Rifle Company exchange	To practise combined operations requiring interoperability at a tactical level with elements of the Brunei Army
Trisetia	Australian Rifle Company with an Indonesian Battalion	To practise combined operations requiring interoperability at a tactical level with elements of the Indonesian Army
IADS ADEX	Air Defence elements	To practise combined operations

EXERCISE	FORCES	EXERCISE OBJECTIVE
99-2		requiring interoperability at a tactical level in a Five Power Defence Arrangements Integrated Air Defence System environment
Tasman Reserve	Sub-unit exchange	To practise combined operations at the tactical level between part-time elements of the Australian and New Zealand Armies
Tasman Exchange	Sub-unit exchange	To practise combined operations at the tactical level between full-time elements of the Australian and New Zealand Armies
Gold Eagle	Rifle Company exchange	To practise combined operations requiring interoperability at a tactical level with elements of the US Marine Corps
Pacific Reserve	55 exchange personnel	To develop interoperability in training and procedures at the tactical level through exchange of personnel from the part-time elements of the Australian and US Armies
Day Cougar	SAS Squadron and a US Special Operations element	To exercise SAS Regiment and US Special Operations Forces in special recovery techniques
Vector Flash Action	SAS Regiment and US Forces	To conduct combined training at the tactical level requiring interoperability with United States forces
Day Tiger	SAS Regiment Training Assistance Team	To conduct training to develop Malaysian Special Forces counter-hijack capability
Night Crocodile	Commando Regiment and Thailand Special Force Elements	To conduct training in Commando operational techniques at Commando Regiment level with force elements from Thailand
Day Panther	SAS Regiment Training Assistance Team	To conduct training to develop Thailand's Counter Terrorist Operations Command counter-hijack capability
Night Tiger	Commando Company	To conduct combined training to develop interoperability at the tactical level with Malaysian Special Forces

Table 3.3: UN and International Activities

OPERATION	DATE	FORCES	OBJECTIVE
Banner	1993 - ongoing	Two Army personnel.	To conduct training and provide technical advice to the Cambodian Mine Action Centre on the detection and clearance of land mines
Belisi 2 (PMG)	May 1998 - ongoing	97 ADF (77 Army), Foreign Affairs and Federal Police personnel.	To support the Peace Monitoring Group on Bougainville.
Blazer	1991 - ongoing	Three ADF (one Army) and inspection team members as required.	To identify the locations and inspect and oversee the destruction of Iraqi weapons of mass destruction
Coracle	1994 - ongoing	Two Army personnel.	To conduct training, and provide technical advice to the Accelerated De-mining Program Mozambique, on the detection and clearance of land mines
Mazurka	1993 - ongoing	26 Army personnel.	To provide staff and administrative support to the Multinational Force and Observers which ensures compliance with the Camp David peace accord between Egypt and Israel
Osier	1997 – June 98	6 ADF (5 Army) personnel	To provide staff appointments with the UN-mandated Stabilisation Force, Bosnia to ensure compliance with the Joint Agreement for Peace in Bosnia and Herzegovina. Likely to continue after June 1998
Paladin	1956 - ongoing	One Major-General Chief of Staff and 12 Army Military Observers	To act as part of UN Truce Supervisory Organisation to oversee the various ceasefire agreements, truces and peace treaties negotiated between Israel and Arab nations

Table 3.4: Planned Army Aviation Flying Hours⁽¹⁾

Aircraft Type	Inventory	Estimated 1997-98 Rate of Effort	Estimated 1998-99 Rate of Effort
Black Hawk	36	8,050	8,680
Kiowa	43	8,311	9,124
UH-1H	25	5,010	6,983
Squirrel	17	8,078	7,750
Chinook	4	1,000	1,270
Twin Otter	2	1,400	1,200
King Air B200	4	1,800	2,350

Note:

1. There is inherent flexibility in flying hour management. Planned flying hours are indicative of the rate of effort needed to meet requirements.

INTERNAL EVALUATION PROPOSALS FOR FY 1998-99

To support performance monitoring and improve effectiveness and efficiency, the focus of Army's internal evaluation effort will include:

Revitalisation of the Reserve

The aim is to evaluate the effectiveness of revitalisation initiatives and their impact on the remainder of the General Reserve. The desired outcome of the evaluation is to obtain knowledge about the impact of revitalisation initiatives on the operational preparedness of the Reserve to achieve the Army's long-term force structuring vision.

Army Ammunition Usage Management

The aim is to improve Army ammunition usage management. The desired outcome is to obtain knowledge about ammunition usage in order to develop a methodology to determine the ammunition requirements for the Army to meet capability outcomes.

Common Induction Training

The aim is to improve continually the standard of training and level of capability, particularly the Army's part-time component. The desired outcome of the evaluation is to obtain knowledge about the processes that affect common induction training in order to ensure the delivery of individual training enables personnel to be proficient in their required competencies.

Restructuring of the Army - Trials

The aim is to ensure delivery of an integrated full-time and part-time Army capable of effective autonomous operations of a widely dispersed and dynamic nature in both joint and combined environments. The desired outcome from the trials and studies is information regarding the affordability, sustainability, the viability and best method of achieving integration of the full-time and part-time components of the Army and the effectiveness of the *Army 21* Enhanced Combat Force, to inform decisions regarding the development of an Army for the next century.

RESOURCES

Table 3.5: Defence Function Outlays Summary

Sub-Program	1997-98	1997-98	1997-98	1998-99	Variation	
	Budget	Revised	Estimated	Budget	98-99 Budget less	
	Estimate	Estimate	Outcome	Estimates	97-98 Outcome	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
3.1 Combat Forces	816,470	807,671	824,251	899,516	75,265	9.1
3.2 Executive	113,449	85,722	117,517	85,786	-31,731	-27.0
3.3 Training	349,762	339,635	344,716	318,917	-25,799	-7.5
Program Total	1,279,681	1,233,028	1,286,484	1,304,219	17,735	1.4

Table 3.6: Staffing Summary

Sub-Program	1997-98	1997-98	1997-98	1998-99	Variation	
	Budget	Revised	Estimated	Budget	98-99 Budget less	
	Estimate	Estimate	Outcome	Estimate	97-98 Outcome	
	Personnel Numbers					%
3.1 Combat Forces	30,544	30,431	30,060	31,545	1,485	4.9
3.2 Executive	1,872	1,254	623	618	-5	-0.8
3.3 Training	11,702	11,303	13,077	12,704	-373	-2.9
Program Total	44,118	42,988	43,760	44,867	1,107	2.5

Table 3.7: Staffing Profile

Personnel		Sub-Program			Total
		3.1	3.2	3.3	
Permanent Force	97-98 Revised	13,041	486	5,196	18,723
	97-98 Estimated	13,025	481	5,177	18,683
	98-99 Budget	13,795	479	4,824	19,098
Reserves	97-98 Revised	16,862	638	5,521	23,021
	97-98 Estimated	16,520	74	7,309	23,903
	98-99 Budget	17,270	74	7,309	24,653
Civilian	97-98 Revised	528	130	586	1,244
	97-98 Estimated	515	68	591	1,174
	98-99 Budget	480	65	571	1,116
Total Personnel	97-98 Revised	30,431	1,254	11,303	42,988
	97-98 Estimated	30,060	623	13,077	43,760
	98-99 Budget	31,545	618	12,704	44,867

Table 3.8: Defence Portfolio Outlays Summary

Division/Appropriation Item	1997-98	1997-98	1997-98	1998-99	Variation	
	Budget	Revised	Estimated	Budget	98-99 Budget less	
	Estimate	Estimate	Outcome	Estimate	97-98 Outcome	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
180-01 RUNNING COSTS						
Service Personnel	1,090,585	1,051,897	1,097,820	1,133,238	35,418	3.2
Civilian Personnel	55,580	44,902	44,933	41,553	-3,380	-7.5
Administrative Expenses	107,741	102,176	106,042	92,586	-13,456	-12.7
180-02 OTHER SERVICES	125	25	125	100	-25	-20.0
181 EQUIPMENT & STORES	45,690	54,749	48,352	49,999	1,647	3.4
Total Defence Function Appropriations (A)	1,299,721	1,253,749	1,297,272	1,317,476	20,204	1.6
Total Defence Function Receipts (Offset Within Outlays) (B)	-20,040	-20,721	-10,788	-13,257	-2,469	22.9
Total Defence Function Outlays (A+B)	1,279,681	1,233,028	1,286,484	1,304,219	17,735	1.4

Defence Reform Program

Savings under the Defence Reform Program include the reduction of personnel within Army Headquarters in Canberra and subordinate headquarters, and the rationalisation of training functions such as the establishment of a number of Joint Training Centres at Bandiana and Puckapunyal, the creation of Regional Mobilisation Training Centres and continuous improvement in training delivery. Additional personnel reductions are forecast to occur following the identification of administrative staff to be transferred to the Corporate Support Program for inclusion in their market testing program.

Table 3.9: Estimated Cumulative DRP Savings

Category (\$m)	1998-99	1999-00	2000-01	2001-02	Mature
Defence Command and Management Arrangements	7.1	7.1	7.1	7.2	18.1
Intelligence ⁽¹⁾	0.1	0.1	0.1	0.1	0.1
Capability Development					0.5
Acquisition and Industry	0.2	0.3	0.4	0.4	0.4
Facilities and Long-Term Force Disposition	0.1	0.1	0.1	0.1	0.1
Logistics	2.4	3.3	4.2	4.8	5.2
Personnel Planning	0.6	0.8	0.8	0.8	0.8
Training and Education	14.7	19.9	20.6	24.1	37.5
Administrative Support	4.5	7.9	11.0	11.0	11.0
Information Management	0.1	0.1	0.2	0.2	1.7
Total	29.7	39.7	44.5	48.6	75.5

Note:

- Totals may not add due to rounding.

Table 3.10: 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
Defence Command and Management Arrangements	88	81	88	81	88	81	88	81	319	82
Science and Technology									40	
Training and Education	271	62	351	62	371	62	414	96	565	118
Total	359	143	439	143	459	143	502	177	924	200

Table 3.11 identifies the re-allocation of DRP savings of \$43m to fund the increase of 948 Average Funded Strength (AFS) in the Combat Forces as it moves towards a total of 15,000 AFS (65%) by 2001-02. The increases have provided more effective command and control capabilities at the tactical level. The transfers have enabled progress to be made in establishing 4 RAR (Cdo) as a regular battalion. In addition, full time personnel have been allocated to 4 and 13 Brigades including a full time company in 16 RWAR, as part of the continued revitalisation of these integrated formations. When complete, together with related equipment initiatives, a more potent and versatile Army (Land Force) will result.

Table 3.11: Estimated Reallocation of DRP Savings ⁽¹⁾

Category	1998-99	1999-00	2000-01	2001-02
Amphibious Capabilities	0.2	2.3	2.3	2.3
Net Personnel & Operating Costs	0.6	1.6	1.7	1.7
Army Reinvestment ⁽²⁾	43.0			
Provision for 50,000 ADF		9.0	55.0	102.0
Total	43.8	12.9	58.9	105.9

Note:

- Totals may not add due to rounding.
- Funding has been provided for the movement of additional personnel into the Army combat force. The level of reinvestment for this and other personnel-related initiatives are still subject to review and no funds for these purposes have been programmed across the Forward Estimates at this stage.

Table 3.12: Explanation for Major Variations

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 3.8	(\$'000)	%
Defence Function Outlay (1997-98 Estimated Outcome)	1,286,484	
180-01 RUNNING COSTS		
<i>Service Personnel</i>		
Real Variations		
Increased provision associated with ADF Workplace Bargaining Agreement	26,758	
Increased provision for the General Reserves enhancement initiative	6,941	
Variations in Accrual Based Superannuation payments resulting from the impact of pay increases, revised Employer Contribution Rates and movements in average staffing levels	6,175	

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 3.8	(\$'000)	%
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	1,976	
Increased provision associated with changes in rank and profile structures	1,679	
Net increased provision for Pilot Retention Bonus	1,460	
Provision for the Australian Services Cadet Scheme (Brewer Report)	900	
Increased provision associated with Multinational Force and Observers Sinai peacekeeping deployment	155	
Non-recurrence of CSP Transition Costs	-500	
Non-recurrence of expenditure in 1997-98 for Operation Belisi (Bougainville Truce Monitoring Group)	-980	
Reduced provision relating to the rundown of the General Reserve Specialist Reserves	-1,503	
Reduced provision due to revised attribution of permanent military personnel following the refinement of post-DRP Program structures	-8,200	
DRP Savings		
Related to Defence Command and Management Arrangements	-3,905	
Related to Training and Education	-6,507	
DRP Reinvestment		
Provision for permanent military personnel in the Combat Force	43,000	
New Capability - Net Personnel and Operating Costs	577	
Non-recurrence of costs of 1997-98 DRP redundancies	-25,463	
Transfers		
Transfer to Program 8 for Living Out Allowance	-7,145	
Total Service Personnel	35,418	3.2
<i>Civilian Personnel</i>		
Real Variations		
Increased provision associated with <i>Restructuring the Army</i> trials	664	
Variation in 3% Productivity Benefits payments resulting from movements in average staffing levels and changes in per capita rates	139	
Variations in Accrual Based Superannuation payments resulting from revised Employer Contribution Rates and movements in average staffing levels	8	
Non-recurrence of 1997-98 provision for the Trainee Administrative Service Officer scheme	-140	
Miscellaneous minor variations	657	
DRP Savings		
Related to Defence Command and Management Arrangements	-1,131	
Related to Training and Education	-1,108	

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 3.8	(\$'000)	%
DRP Reinvestment		
Non-recurrence of costs of 1997-98 DRP redundancies	-2,532	
Transfers		
Net Program transfers	63	
Total Civilian Personnel	-3,380	-7.5
<i>Administrative Expenses</i>		
Real Variations		
Full-year effect of training costs for the retention of HMAS <i>Tobruk</i> (Ship's Army Detachment)	210	
Increased provision associated with Multinational Force and Observers Sinai peacekeeping deployment	109	
Reprogramming of expenditure in support of the ATSIC Army Community Assistance Project	-381	
Non-recurrence of expenditure in 1997-98 for Operation Belisi (Bougainville Truce Monitoring Group)	-593	
Reduced provision for <i>Restructuring the Army</i> trials	-1,523	
Variation in Fringe Benefits Tax Payments	-2,280	
Miscellaneous minor variations	-54	
DRP Savings		
Related to Defence Command and Management Arrangements	-656	
Related to Intelligence	-49	
Related to Acquisition and Industry	-243	
Related to Facilities and Long Term Force Disposition	-144	
Related to Logistics	-2,362	
Related to Personnel Planning	-561	
Related to Training and Education	-867	
Related to Administrative Support Arrangements	-4,463	
Related to Information Management	-54	
Transfers		
Net Program transfers	222	
Non-recurrence of 1997-98 transfer of Isolated Establishment Allowance from Program 8	-525	
Price/Exchange Variations		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	758	
Total Administrative Expenses	-13,456	-12.7

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 3.8	(\$'000)	%
180-02 OTHER SERVICES		
Real Variations		
Variation to provision for the Blackhawk Memorial Grant payment	-25	
Total Other Services	-25	-20.0
181-00 EQUIPMENT AND STORES		
Real Variations		
Reprogramming of expenditure in support of the ATSIC Army Community Assistance Project	1,954	
Provision for clothing costs in support of the Australian Services Cadet Scheme (Brewer Report)	800	
Increased provision associated with Multinational Force and Observers Sinai peacekeeping deployment	33	
Net effect of retrospective price and exchange movement	-674	
Miscellaneous minor variations	-491	
Transfers		
Net Program transfers	-156	
Price/Exchange Variations		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	181	
Total Equipment and Stores	1,647	3.4
Total Defence Function Appropriations Variation (A)	20,204	1.6
DEFENCE RECEIPTS		
Real Variations		
Non-recurrence of receipt from Townsville City Council due to completion of loan repayment in 1997-98	851	
Reduced reimbursements for Multinational Force and Observers Sinai peacekeeping deployments	546	
Anticipated recoveries in 1998-99 from the ATSIC Army Community Assistance Project	-2,965	
Miscellaneous minor variations	-753	
Price/Exchange Variations		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	-148	
Total Defence Receipts Variation (B)	-2,469	22.9
Total Defence Function Outlay Variation (A+B)	17,735	1.4
TOTAL DEFENCE FUNCTION OUTLAY (1998-99 BUDGET ESTIMATE)	1,304,219	