

## **PROGRAM EIGHT: 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 and provides ADF health services.

The Program manager is the Head of the Defence Personnel Executive. The Program comprises four Sub-Programs:<sup>1</sup>

- 8.1 Personnel Executive: provides support to the Head of the Defence Personnel Executive to meet Program corporate management responsibilities, including accountability for agreed objectives and enabling services. This Sub-Program also provides policy analysis and advice relating to Superannuation and Compensation and Occupational Health and Safety, and administers the office of ACRES.
- 8.2 Personnel Policy: develops personnel management policies and industrial relations policies for all Defence personnel. This Sub-Program also recruits members for the Services (both Regular and Reserve) whilst providing a framework for the management and development of personnel to meet current and future requirements and staffing in accordance with Defence priorities and requirements of the Secretary and Service Chiefs.
- 8.3 Personnel Management: provides the framework for the administration of personnel, including pay and personnel systems, Service career management including postings and promotions, family support services, civilian recruiting for the Department, and complaints' resolution services.
- 8.4 Defence Health Services: formulates policy and strategies and provides an integrated health service for the ADF.

### **STRATEGIES FOR 1998-99**

In line with Defence and Program objectives, Defence Personnel Executive Program will:

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<sup>1</sup> In January 1998, several changes in the program structure of Personnel Executive Program were instituted, :  
Sub-Program 8.1 (formerly ADF Personnel Policy) was renamed Personnel Executive.  
Sub-Program 8.2 (formerly Civilian Personnel Policy) was renamed Personnel Policy and covers both ADF and civilian personnel.  
Sub Program 8.4 (formerly Defence Force Recruiting) became Defence Health Services, with the transfer of recruiting functions to Sub-Program 8.2 and the change in nomenclature of Sub-Program 8.5.

- a. review business practices to identify and develop options for rationalisation of support systems and processes, and integration of staff;
- b. improve and simplify personnel policies, legislation and practices and communicate changes to all stakeholders;
- c. plan the draw down of the ADF to 50,000 full-time personnel, in conjunction with the Service Programs;
- d. implement a 24 month rolling outcome of recruiting requirements;
- e. instigate adequate consultation and monitoring systems to capture all staffing requirements;
- f. utilise effective strategic workforce planning techniques;
- g. implement policies and practices to recruit, develop and retain fit, skilled, educated and motivated people to staff the Defence organisation to meet ADF capability requirements;
- h. provide all personnel with the opportunity for personal development and to contribute to their full capacity; and
- i. improve the availability, access and use of personnel data from internal and external sources to support input to personnel plans and policies in the ADF capability planning process.

## **PERFORMANCE MEASURES FOR 1998-99**

The extent to which:

- a. 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;
- b. personnel issues are embedded into the Defence longer-term capability development process;
- c. stakeholders are satisfied with staff recruited and effectively posted to meet their requirements;
- d. approved staffing levels are reached;
- e. the proportion of personnel deployable in combat roles is achieved; and
- f. environmental data, including the ADF attitudes survey, is used in planning, policy development and providing advice.

The Defence Personnel Executive performance measures are aimed at monitoring the following key success factors:

- Defence recruits and retains the right people;
- capability development processes have personnel considerations integrated;

- new and current capabilities are supported by suitable personnel management practices;
- key stakeholders and clients are satisfied with the Defence Personnel Executive's policies, plans and services; and
- new organisational structures and processes are in place to achieve target milestones.

## PERFORMANCE FORECAST FOR 1998-99

In support of Program and Portfolio objectives, the Defence Personnel Executive will:

- continue implementation of the Defence Reform Program recommendations, including the roll out of the PMKEYS system, for more efficient and cost-effective management and administration of personnel in the Defence organisation;
- develop the Defence Human Resource Strategy for including strategic personnel policy guidance, workforce, development and action plans;
- continue equity education and practices in the Defence organisation;
- further implement initiatives to improve the recruiting, operational effectiveness and contribution of the Reserve Force;
- improve the effectiveness of health planning, intelligence and delivery across the ADF;
- 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; and
- review and rationalise personnel policy instructions to ensure innovative, equitable and appropriate employment policies and practices.

## RESOURCES

**Table 8.1: Defence Function Outlays Summary <sup>(1)</sup>**

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	%
	\$'000	\$'000	\$'000	\$'000	\$'000	%
8.1 ADF Personnel Policy	319,939	303,021				
<b>8.1 Personnel Executive</b>			<b>153,091</b>	<b>278,125</b>	<b>125,034</b>	<b>81.7</b>
8.2 Civilian Personnel Policy	35,529	176,321				
<b>8.2 Personnel Policy</b>			<b>372,647</b>	<b>275,342</b>	<b>-97,305</b>	<b>-26.1</b>
8.3 Personnel Management	593,193	421,228				
<b>8.3 Personnel Management</b>			<b>294,764</b>	<b>383,065</b>	<b>88,301</b>	<b>30.0</b>
8.4 Defence Force Recruiting	54,226	52,325				

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	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>8.4 Defence Health Services</b>			<b>159,639</b>	<b>149,784</b>	<b>-9,855</b>	<b>-6.2</b>
<i>8.5 Defence Health Services</i>	<i>101,189</i>	<i>161,938</i>				
<b>Program Total <sup>(2)</sup></b>	<b>1,104,076</b>	<b>1,114,833</b>	<b>980,141</b>	<b>1,086,316</b>	<b>106,175</b>	<b>10.8</b>

Notes:

1. Due to Program Structure changes, this table contains the 1997-98 Program structure in *italics* and the 1998-99 Program structure in **bold** type.
2. The 1997-98 Revised Estimate and the 1998-99 Budget Estimate figures are considerably higher than the 1997-98 Estimated Outcome because the former include provisions held centrally by the Personnel Executive. By the end of the financial year, these will have been allocated to Programs.

Table 8.2: Staffing Summary <sup>(1)</sup>

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					
<i>8.1 ADF Personnel Policy</i>	288	254				
<b>8.1 Personnel Executive</b>			<b>424</b>	<b>433</b>	<b>9</b>	<b>2.1</b>
<i>8.2 Civilian Personnel Policy</i>	168	187				
<b>8.2 Personnel Policy</b>			<b>1,901</b>	<b>1,811</b>	<b>-90</b>	<b>-4.7</b>
<i>8.3 Personnel Management <sup>(2)</sup></i>	2,938	3,919				
<b>8.3 Personnel Management</b>			<b>2,111</b>	<b>1,991</b>	<b>-120</b>	<b>-5.7</b>
<i>8.4 Defence Force Recruiting</i>	1,276	1,276				
<b>8.4 Defence Health Services</b>			<b>1,585</b>	<b>1,464</b>	<b>-121</b>	<b>-7.6</b>
<i>8.5 Defence Health Services</i>	710	1,722				
<b>Program Total</b>	<b>5,380</b>	<b>7,358</b>	<b>6,021</b>	<b>5,699</b>	<b>-322</b>	<b>-5.3</b>

Notes:

1. Due to Program Structure changes, this table contains the 1997-98 Program structure in *italics* and the 1998-99 Program structure in **bold**.
2. This table includes Trust Account staff at Woomera in the 1997-98 Budget Estimate (104 in total), after which they are displayed in Defence Corporate Support.

Table 8.3: Staffing Profile

Personnel		Sub-Program					Total
		8.1	8.2	8.3	8.4	8.5	
Permanent Force	97-98 Revised	154	6	1,357	406	1,478	<b>3,401</b>
	97-98 Estimated	354	804	759	1,360		<b>3,277</b>
	98-99 Budget	341	709	667	1,239		<b>2,956</b>
Reserves	97-98 Revised			1,163	803	15	<b>1,981</b>
	97-98 Estimated		798	339	4		<b>1,141</b>
	98-99 Budget		798	337	4		<b>1,139</b>

Personnel		Sub-Program					Total
		8.1	8.2	8.3	8.4	8.5	
Civilian	97-98 Revised	100	181	1,399	67	229	<b>1,976</b>
	97-98 Estimated	70	299	1,013	221		<b>1,603</b>
	98-99 Budget	92	304	987	221		<b>1,604</b>
<b>Total Personnel</b>	<b>97-98 Revised</b>	<b>254</b>	<b>187</b>	<b>3,919</b>	<b>1,276</b>	<b>1,722</b>	<b>7,358</b>
	<b>97-98 Estimated</b>	<b>424</b>	<b>1,901</b>	<b>2,111</b>	<b>1,585</b>		<b>6,021</b>
	<b>98-99 Budget</b>	<b>433</b>	<b>1,811</b>	<b>1,991</b>	<b>1,464</b>		<b>5,699</b>

Table 8.4: 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	305,424	351,467	246,735	276,650	29,915	12.1
	Civilian Personnel	139,007	107,028	84,694	139,619	54,925	64.9
	Administrative Expenses	455,680	450,790	443,105	436,507	-6,598	-1.5
	Facilities Operations	320					
180-02	OTHER SERVICES	101,625	121,240	121,149	125,400	4,251	3.5
181	EQUIPMENT & STORES	2,466	4,614	3,227	12,690	9,463	293.2
184	DEFENCE HOUSING	253,590	253,590	253,590	233,248	-20,342	-8.0
Sub Total		1,258,112	1,288,729	1,152,500	1,224,114	71,614	6.2
SPECIAL APPROPRIATIONS							
	- MSBS Retention Benefit	20,388	20,867	20,867	16,043	-4,824	-23.1
	- Housing Loan Assistance Scheme	4,500	3,740	3,740	5,500	1,760	47.1
	- DEETYA Subsidies		1,000	1,000	100	-900	-90.0
<b>Total Defence Function Appropriations (A)</b>		<b>1,283,000</b>	<b>1,314,336</b>	<b>1,178,107</b>	<b>1,245,757</b>	<b>67,650</b>	<b>5.7</b>
<b>Total Defence Function Receipts (Offset Within Outlays) (B)</b>		<b>-178,924</b>	<b>-199,503</b>	<b>-197,866</b>	<b>-159,441</b>	<b>38,525</b>	<b>19.5</b>
<b>Total Defence Function Outlays (A+B)</b>		<b>1,104,076</b>	<b>1,114,833</b>	<b>980,141</b>	<b>1,086,316</b>	<b>106,175</b>	<b>10.8</b>

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	%
<b>Non-Defence Function Outlays</b>						
- DFRDB Payments	932,267	970,332	970,332	1,071,511	101,179	10.4
- MSBS Payments	170,192	151,995	167,600	167,115	-485	-0.3
- DFRDB/MSBS Contributions	-81,751	-86,394	-86,394	-78,686	7,708	8.9
<b>Total Non-Defence Function Outlays (D)</b>	<b>1,020,708</b>	<b>1,035,933</b>	<b>1,051,538</b>	<b>1,159,940</b>	<b>108,402</b>	<b>10.3</b>
<b>Other Portfolio Outlays (E)</b>	<b>-2,351</b>	<b>-2,351</b>	<b>-2,351</b>	<b>-2,494</b>	<b>-143</b>	<b>6.1</b>
<b>Total Portfolio Outlays (C+D-E)</b>	<b>2,127,135</b>	<b>2,153,117</b>	<b>2,034,030</b>	<b>2,248,750</b>	<b>214,720</b>	<b>10.6</b>

**Note:**

1. Finance Portfolio receipts (related to the repayment of borrowings in relation to the Commonwealth/State Housing Agreement) are included in Defence Personnel Executive Program receipts. Although these receipts form part of Defence function outlays, they do not form part of Defence Portfolio outlays.

### Defence Reform Program

ADF positions will be saved through the consolidation of Personnel Management into one organisation, the Defence Personnel Executive, and efficiencies achieved through common processes. Savings in administrative expenses and housing have been programmed to account for the overhead component associated with the overall reduction in personnel numbers across the Portfolio. Savings in Administrative Expenses will result from the rationalisation and commercialisation of recruiting activities. The means of achieving further savings associated with a number of DRP initiatives are still being reviewed and the savings have yet to be programmed. Portfolio-wide superannuation savings are also shown against Defence Personnel Executive.

**Table 8.5: Estimated Cumulative DRP Savings<sup>(1)</sup>**

Category (\$m)	1997-98	1998-99	1999-00	2000-01	2001-02	Mature
Defence Command and Management Arrangements		1.2	1.6	1.8	3.1	3.1
Intelligence		0.2	0.6	0.7	0.7	0.7
Capability Development				0.1	0.1	0.1
Acquisition and Industry <sup>(2)</sup>		0.5	1.1	1.1	0.9	0.9
Science and Technology		0.1	0.2	0.2	0.2	0.2
Facilities and Long-Term Force Disposition <sup>(2)</sup>		0.4	0.5	0.3	0.3	0.3
Logistics		4.8	11.2	21.9	24.7	24.7
Personnel Planning	7.8	25.1	33.1	50.0	69.0	177.1
Education and Training		2.0	3.4	4.5	5.2	5.2
Administrative Support	0.1	16.3	28.9	41.4	41.6	41.6

Category (\$m)	1997-98	1998-99	1999-00	2000-01	2001-02	Mature
Information Management		0.7	1.7	3.4	4.0	4.0
<b>Sub Total</b>	<b>7.9</b>	<b>51.4</b>	<b>82.1</b>	<b>125.5</b>	<b>149.8</b>	<b>257.9</b>
Superannuation		37.0	68.8	111.8	123.5	134.7
<b>Total</b>	<b>7.9</b>	<b>88.4</b>	<b>158.9</b>	<b>239.3</b>	<b>273.3</b>	<b>392.6</b>

**Note:**

- Totals may not add due to rounding.
- These savings relate to savings in personnel management costs. They fluctuate according to changes in the civilian/military personnel mix, principally in the Acquisition and Defence Estate Programs.

**Table 8.6: 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
Personnel Planning	425	402	604	424	942	454	1,308	463	1,387	463
<b>Total</b>	<b>425</b>	<b>402</b>	<b>604</b>	<b>424</b>	<b>942</b>	<b>454</b>	<b>1,308</b>	<b>463</b>	<b>1,387</b>	<b>463</b>

**Table 8.7: Estimated Reallocation of DRP Savings**

Category (\$m)	1998-99	1999-00	2000-01	2001-02	Mature
Net personnel and operating costs	0.1	0.2	0.2	0.2	0.2
Provision for DRP Transition Costs	2.6	57.9	59.6	60.0	60.0
<b>Total</b>	<b>2.7</b>	<b>58.1</b>	<b>59.8</b>	<b>60.2</b>	<b>60.2</b>

**Table 8.8: Explanation for Major Variations**

Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 8.4	(\$'000)	%
<b>Defence Function Outlay (1997-98 Estimated Outcome)</b>	<b>980,141</b>	
<b>180-01 RUNNING COSTS</b>		
<i>Service Personnel</i>		
<b>Real Variations</b>		
Increased provision associated with ADF Workplace Bargaining Agreement	4,572	
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	-267	
Reduced provision for allowances, primarily relating to an overall reduction in average strength	-2,185	
Variation in Accrual Based Superannuation payments resulting from the impact of pay increases, revised Employer Contributions Rates and movements in average Staffing levels	-2,709	

<b>Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 8.4</b>	<b>(\$'000)</b>	<b>%</b>
Reduced provision for Temporary Rental Allowances arising from the Housing & Accommodation Policy Review	-2,905	
Reduced provision for Living Out Allowance arising from the Housing & Accommodation Policy Review	-9,223	
Miscellaneous minor variations	531	
<b>DRP Savings</b>		
Related to Personnel Planning	-15,089	
<b>DRP Reinvestment</b>		
DRP Transition Cost Provision	35,000	
<b>Transfers</b>		
Transfer of Living Out Allowance from all Programs arising from the Housing & Accommodation Policy Review	22,190	
<b>Total Service Personnel</b>	<b>29,915</b>	<b>12.1</b>
<i>Civilian Personnel</i>		
<b>Real Variations</b>		
Net impact of part-year effect and full-year effect of Workplace Bargaining Agreement	41,033	
Increase in provision for Trainee Administrative Services Officers	3,940	
Increased provision for PMKEYS project staff	255	
Variation in 3% Productivity Benefits payments resulting from movements in average staffing levels and changes in per capita rates	-77	
Variations in Accrual Based Superannuation payments resulting from the impact of pay increases, revised Employer Contribution Rates and movements in average staffing levels	-354	
Net savings from staff reductions in 1997-98	-581	
Miscellaneous minor variations	-322	
<b>DRP Savings</b>		
Related to Defence Command and Management Arrangements	-66	
Related to Logistics	-198	
Related to Personnel Planning	-99	
Related to Education and Training	-66	
Related to Administrative Support	-507	
Related to Information Management	-33	
<b>DRP Reinvestment</b>		
DRP Transition Cost Provision	12,000	
<b>Total Civilian Personnel</b>	<b>54,925</b>	<b>64.9</b>

<b>Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 8.4</b>	<b>(\$'000)</b>	<b>%</b>
<i>Administrative Expenses</i>		
<b>Real Variations</b>		
Provision for Comsuper User Charging	6,685	
Increased Comcare Premium provision due to historically low estimate for 1997-98	5,037	
Increased provision for removals primarily associated with Army Presence in the North project, offset in part by a reduction in civilian DSTO removals	2,653	
Reprogramming of PMKEYS	1,845	
Military Compensation Scheme Review reprogramming	305	
Reduced DEFCARE provision	-1,053	
Variation in Fringe Benefits Tax Payments	-14,710	
Miscellaneous minor variations	424	
<b>DRP Savings</b>		
Related to Defence Command and Management Arrangements	-472	
Related to Intelligence	-94	
Related to Acquisition and Industry	-195	
Related to Science and Technology	-45	
Related to Facilities and Long Term Force Disposition	-166	
Related to Logistics	-1,875	
Related to Personnel Planning	-884	
Related to Education and Training	-792	
Related to Administrative Support	-8,690	
Related to Information Management	-269	
<b>DRP Reinvestment</b>		
DRP Transition Cost Provision	6,000	
Non-recurrence of DRP Transition Cost funding for 1997-98	-2,682	
New capability – net personnel and operating costs	50	
<b>Transfers</b>		
Non recurrence of one-off costs of Isolated Establishment Allowance to Program 3	525	
Net transfer to Program 4 – RAAF Support Unit Butterworth rationalisation	-2,100	
Miscellaneous minor variations	-502	
<b>Price/Exchange Variations</b>		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	4,407	
<b>Total Administrative Expenses</b>	<b>-6,598</b>	<b>-1.5</b>

<b>Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 8.4</b>	<b>(\$'000)</b>	<b>%</b>
<b>180-02 OTHER SERVICES</b>		
<b>Real Variations</b>		
Increased provision for military rehabilitation and compensation	8,218	
Non-recurrence of one-off ex-gratia payments for compensable injury/death	-4,000	
Miscellaneous minor variations	33	
Total Other Services	4,251	3.5
<b>181-00 EQUIPMENT AND STORES</b>		
<b>Real Variations</b>		
Increased provision for PMKEYS	4,552	
Miscellaneous minor variations	-62	
<b>DRP Reinvestment</b>		
DRP Transition Cost Provision	4,950	
<b>Price/Exchange Variations</b>		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	23	
Total Equipment and Stores	9,463	293.2
<b>186-00 DEFENCE HOUSING</b>		
<b>Real Variations</b>		
Increased payment to the Defence Housing Authority primarily due to the difference in price adjustment and the actual increase in DHA rent	2,450	
Net decrease primarily due to a change in the DHA rent-billing period	-5,201	
Net effect of retrospective price and exchange movement	-6,225	
<b>DRP Savings</b>		
Related to Defence Command and Management Arrangements	-687	
Related to Intelligence	-136	
Related to Acquisition and Industry	-284	
Related to Science & Technology	-67	
Related to Facilities and Long Term Force Disposition	-242	
Related to Logistics	-2,725	
Related to Personnel Planning	-1,286	
Related to Education and Training	-1,152	
Related to Administrative Support	-7,096	
Related to Information Management	-390	

<b>Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 8.4</b>	<b>(\$'000)</b>	<b>%</b>
<b>Price/Exchange Variations</b>		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	2,699	
Total Defence Housing	-20,342	-8.0
<b>DEFENCE FUNCTION APPROPRIATIONS</b>	<b>71,614</b>	<b>6.2</b>
<b>SPECIAL APPROPRIATIONS</b>		
<i>MSBS Retention Benefit</i>		
<b>Real Variations</b>		
Estimated reduction due to fewer members eligible to apply for the Benefit	-5,097	
<b>Price/Exchange Variations</b>		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	273	
Total MSBS Retention Benefits	-4,824	-23.1
<i>Housing Loan Assistance Scheme</i>		
<b>Real Variations</b>		
Increased provision due to an estimated increase in members applying for loans	1,760	
Total Housing Loan Assistance Scheme	1,760	47.1
<i>DEETYA Subsidies</i>		
<b>Real Variations</b>		
Reduced take up rates for JobSkills employees	-900	
Total DEETYA Subsidies	-900	-90.0
<b>Total Defence Function Appropriations Variation (A)</b>	<b>67,650</b>	<b>6.5</b>
<b>DEFENCE RECEIPTS</b>		
<b>Real Variations</b>		
Non recurrence of DHA Repayment of Advance in 1997-98	49,999	
Net effect of retrospective price and exchange movement	1,778	
Decrease in DEETYA Subsidies take-up rates	900	
Increase in member contributions for Group Rental Scheme	-3,813	
Increase in member contributions for Living in Allowance as a result of the Housing & Accommodation Policy Review	-8,362	
Miscellaneous minor variations	-13	
Other Department receipts	-143	

<b>Explanation for Variations Between 1997-98 Estimated Outcome and 1998-99 Budget Estimate Contained in Table 8.4</b>	<b>(\$'000)</b>	<b>%</b>
<b>Price/Exchange Variations</b>		
Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters	-1,821	
<b>Total Defence Receipts Variation (B)</b>	<b>38,525</b>	<b>-19.7</b>
<b>Total Defence Function Outlay Variation (A+B)</b>	<b>106,175</b>	<b>10.8</b>
<b>TOTAL DEFENCE FUNCTION OUTLAY (1998-99 BUDGET ESTIMATE)</b>	<b>1,086,316</b>	

<b>NON-DEFENCE FUNCTION OUTLAY VARIATIONS</b>		
<b>Non-Defence Function Outlay (1997-98 Estimated Outcome)</b>	<b>1,051,538</b>	
<b>Real Variations</b>		
<i>DFRDB Payments</i>		
Net expected increase in value of commutation for DFRDB members due to salary increases and changes in commutation factors	101,179	
<i>MSBS Payments</i>		
Net expected increase for new pensions and the indexations of existing pensions, provision for Employer Lump Sum Benefits, Refunds of Member contributions and interest due to an increase in the average value of the benefit	-485	
<i>DFRDB Contributions</i>		
Reduction in member contributions due to separations	6,035	
<i>MSBS Contributions</i>		
Decrease in transfer contributions and interest from the MSB Fund	1,673	
<b>Total Non-Defence Function Outlay Variation</b>	<b>108,402</b>	<b>10.3</b>
<b>NON-DEFENCE FUNCTION OUTLAY (1998-99 BUDGET ESTIMATE)</b>	<b>1,159,940</b>	
<b>TOTAL DEFENCE PORTFOLIO OUTLAY (1998-99 BUDGET ESTIMATE)</b>	<b>2,248,750</b>	

<b>DEFENCE PORTFOLIO OUTLAY (1997-98 ESTIMATED OUTCOME) (A)</b>	<b>2,034,030</b>	
Variation in Function Outlay (B)	106,175	
Variation in Non-Defence Function Outlay (C)	108,402	
Variation in Other Portfolio Outlay (D)	-143	
<b>TOTAL DEFENCE PORTFOLIO OUTLAY (1998-99 BUDGET ESTIMATE) (A+B+C-D)</b>	<b>2,248,750</b>	