

SECTION TWO

PROGRAM RESOURCES AND VARIATIONS

- PROGRAM 1 - DEFENCE HEADQUARTERS**
- PROGRAM 2 - NAVY**
- PROGRAM 3 - ARMY**
- PROGRAM 4 - AIR FORCE**
- PROGRAM 5 - INTELLIGENCE**
- PROGRAM 6 - SUPPORT COMMAND**
- PROGRAM 7 - JOINT EDUCATION AND TRAINING**
- PROGRAM 8 - DEFENCE PERSONNEL EXECUTIVE**
- PROGRAM 9 - ACQUISITION**
- PROGRAM 10 - SCIENCE AND TECHNOLOGY**
- PROGRAM 11 - DEFENCE ESTATE**
- PROGRAM 12 - CORPORATE INFORMATION**
- PROGRAM 13 - DEFENCE CORPORATE SUPPORT**
- PROGRAM 14 - FINANCE AND INSPECTOR-GENERAL**

EXPLANATORY NOTES TO THE PROGRAM RESOURCE TABLES

Explanation for Major Variations Tables

These notes provide a more detailed explanation of the following wording used in the Explanation for Major Variations Tables for each Program in this section.

‘Movement from 1997-98 Budget to 1998-99 price and exchange rate parameters’

These adjustments describe increased funding to reflect the forecast movement of price and exchange parameters during 1998-99. They maintain the real purchasing power of Defence funding during FY1998-99. This amount, totalling some \$343.8m for the Portfolio, appears under the ‘Price/Exchange Variations’ section of the major variations tables.

‘Net effect of retrospective price and exchange movement’

As a result of comparing the price and exchange forecasts underpinning the 1996-97 and 1997-98 Budgets with actual price and exchange movements, one-off adjustments to Defence Function Outlays in 1997-98 and 1998-99 respectively have been made. These adjustments impact on the variation between 1997-98 and 1998-99. As these adjustments have only a one-off effect, and relate to previous years’ price and exchange movements, they are categorised as ‘Real Variations’ in the major variations tables.

‘Non-recurrence of costs of DRP redundancies’

Expenditure in 1997-98 on DRP-related redundancies has been captured against each Program, while the provision for DRP-related transition costs in 1998-99, including redundancies, is being held centrally (against the Defence Personnel Executive Program) and will be allocated to individual Programs during the course of the year as detailed funding requirements are finalised. As a result, a number of the individual Program Major Variations tables show reductions in expenditure on DRP-related redundancies.

Defence Reform Program Savings Tables

These notes provide a more detailed explanation of the wording used in the DRP Savings Tables for each Program in this section.

1. Programs will fund minor implementation and transition costs for DRP initiatives, with the savings recorded under each initiative category being a net figure. This explains why, despite the tables showing cumulative figures, there may be a slight decrease in savings in a subsequent year. Major transition/implementation costs are not included in these tables and will be funded from the Portfolio provision (see Section One, Table 3).
2. The figures for each initiative category do not include the superannuation and Fringe Benefits Tax (FBT) savings associated with the reduced personnel numbers. The total Portfolio savings for superannuation and FBT have been shown against Programs 8 and 14 respectively.
3. The figures for each initiative category do not include the costs of contracts for services to be delivered by external providers. These have been aggregated and shown against the relevant Program - Support Command and Defence Corporate Support.