

SECTION THREE

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RECONCILIATION OF APPROPRIATIONS AND PROGRAMS

Appropriation Bill No.1	1998-99 Budget Estimate \$'000
Division/Appropriation Item	\$'000
RUNNING COSTS	
Defence Headquarters	80,821
Navy	698,811
Army	1,267,377
Air Force	628,522
Intelligence	104,794
Support Command	575,721
Joint Education & Training	61,776
Defence Personnel Executive	852,776
Acquisition	154,559
Science & Technology	176,372
Defence Estate	266,992
Corporate Information	209,471
Corporate Support	412,661
Finance & Inspector-General	45,761
<i>Sub-Total Running Costs</i>	5,536,414
OTHER SERVICES	
Defence Headquarters	120
Army	100
Support Command	6,785
Joint Education & Training	35,256
Defence Personnel Executive	125,400
Acquisition	1,580
Science & Technology	632
Defence Estate	80
Corporate Support	11,958
Finance & Inspector-General	2,096
<i>Sub-Total Other Services</i>	184,007
EQUIPMENT & STORES	
Defence Headquarters	54,466
Navy	92,335
Army	49,999
Air Force	139,639
Intelligence	36,794
Support Command	1,606,583
Joint Education & Training	8,941
Defence Personnel Executive	12,690
Acquisition	2,700,381
Science & Technology	32,756
Defence Estate	1,496
Corporate Information	40,880
Corporate Support	172,510

Appropriation Bill No.1	1998-99 Budget Estimate \$'000
Division/Appropriation Item	
Finance & Inspector-General	15,180
<i>Sub-Total Equipment & Stores</i>	4,964,650
DEFENCE COOPERATION	
Defence Headquarters	67,403
<i>Sub-Total Defence Cooperation</i>	67,403
DEFENCE PRODUCTION	
Acquisition	17,887
<i>Sub-Total Defence Production</i>	17,887
PAYMENTS TO ADI Ltd.	
Acquisition	50
<i>Sub-Total Payments to ADI Ltd.</i>	50
DEFENCE FACILITIES	
Defence Estate	500,299
<i>Sub-Total Defence Facilities</i>	500,299
DEFENCE HOUSING	
Defence Personnel Executive	233,248
<i>Sub-Total Defence Housing</i>	233,248
(A) Total Defence Appropriations	11,503,958

SPECIAL APPROPRIATIONS/OTHER ADJUSTMENTS	
- MSBS - Retention Benefit	
Defence Personnel Executive	16,043
- DEETYA Subsidies	
Defence Personnel Executive	100
- Housing Loan Assistance Scheme	
Defence Personnel Executive	5,500
(B) Sub-Total Special Appropriations/Other Adjustments	21,643
(C) Total Appropriations Defence Function (A) + (B)	11,525,601

DEFENCE RECEIPTS	
- Receipts	
Defence Headquarters	-1,120
Navy	-4,923
Army	-13,257
Air Force	-26,377
Intelligence	-156
Support Command	-93,494
Joint Education & Training	-3,067
Defence Personnel Executive	-159,441
Acquisition	-118,184
Science & Technology	-2,257
Defence Estate	-96,422
Corporate Support	-12,632

Appropriation Bill No.1	1998-99 Budget Estimate \$'000
Division/Appropriation Item	
Finance & Inspector-General	-48,814
Other Departments	-2,494
(D) Total Defence Receipts	-580,144
(E) Total Defence Function Outlay (C) + (D)	10,945,457

NON-DEFENCE FUNCTION	
180-02-09 Young Endeavour	
Navy	1,818
DFRDB Payments	
Defence Personnel Executive	1,071,511
MSBS Payments	
Defence Personnel Executive	167,115
DFRDB Contributions	
Defence Personnel Executive	-42,192
MSBS Contributions	
Defence Personnel Executive	-36,494
(F) Total Non-Defence Function Outlay	1,161,758
(G) Less Other Portfolio Outlay ⁽¹⁾	-2,494
TOTAL DEFENCE PORTFOLIO OUTLAY (E+F)-(G)	12,109,709

Note:

- 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 outlay, they do not form part of Defence Portfolio outlay.

**SUMMARY OF DEFENCE FUNCTION OUTLAY 1998-99 BY
DEPARTMENTS CONTRIBUTING TO THE DEFENCE
FUNCTION**

	Expenditure \$'000	Receipt \$'000	Balance \$'000
Department of Defence			
Appropriation Bill No 1 (Divs. 180-187)	11,505,776		
Receipts offset within outlays		-577,650	
Special Appropriations:			
MSBS retention benefit	16,043		
MSBS Payments and Contributions	167,115	-36,494	
DFRDB Payments and Contributions	1,071,511	-42,192	
Housing Loan Assistance Scheme	5,500		
Department of Employment, Education, Training and Youth Affairs	100		
Total Defence Portfolio Expenditure and Receipt	12,766,045	-656,336	
TOTAL DEFENCE PORTFOLIO OUTLAY			12,109,709
Less			
Not attributed to Defence Function Outlay but paid/received by Defence:			
Young Endeavour Youth Scheme	1,818		
MSBS Payments and Contributions	167,115	-36,494	
DFRDB Payments and Contributions	1,071,511	-42,192	
Sub Total		1,161,758	10,947,951
Add			
Attributed to Defence Function Outlay but received by Department of Finance & Administration			
Advance to States under Housing Agreement		-1,340	
DHA Principal Repayment		-1,154	
Sub Total		-2,494	10,945,457
TOTAL DEFENCE FUNCTION OUTLAY			10,945,457

RECONCILIATION OF DEFENCE PROVISIONS IN BUDGET PAPERS AND PORTFOLIO BUDGET STATEMENTS

RECONCILIATION OF DEFENCE OUTLAYS WITH BUDGET PAPER NO. 1

Commonwealth outlays are represented in both headline and underlying forms. The focus on Commonwealth outlays since the 1996-97 Budget has shifted from the headline to underlying measure of outlays. Underlying outlays are measured as headline outlays adjusted by excluding net advances. The latter comprise transactions in financial assets undertaken for policy purposes and consist of net policy lending and net equity transactions. In recent years, net advances have primarily reflected the receipt of proceeds from equity asset sales and loan repayments from DHA and the States.

Defence manages the funding allocation to headline outlays, reflecting all transactions, and the 1998-99 PBS therefore displays headline outlays. However, in Budget Paper No.1, Statement No.4, the overall Commonwealth Budget is presented in underlying outlays format. Therefore, in that document, Defence Function outlays are adjusted to remove any net advances.

The following tables provide a reconciliation between Defence headline and underlying outlays.

Table 1: Defence Function Outlays – Headline versus Underlying

	1997-98	1998-99	1999-2000	2000-01	2001-02
	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying Outlays (Budget Paper No.1, Statement No.4)	10,414,442	10,980,951	11,012,807	11,201,114	11,440,028
Includes Net Advances					
Townsville Repayment	-851				
DHA - Repayment of Advances	-49,999				
ADI - Repayment of Advance	-5,000	-33,000			
CSHA(S) Principal Repayments ⁽¹⁾	-2,351	-2,494	-2,648	-2,812	-2,990
Headline Outlays (PBS)	10,356,241	10,945,457	11,010,159	11,198,302	11,437,038

Note:

1. Receipts of the Department of Finance & Administration

Table 2: Defence Portfolio Outlays – Headline versus Underlying

	1997-98	1998-99	1999-2000	2000-01	2001-02
	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying Outlays	11,467,789	12,142,709	12,064,002	12,278,984	12,508,445
Include Net Advances					
Townsville Repayment	-851				
DHA - Repayment of Advances	-49,999				

	1997-98	1998-99	1999-2000	2000-01	2001-02
	\$'000	\$'000	\$'000	\$'000	\$'000
ADI - Repayment of Advance	-5,000	-33,000			
Proceeds from the sale of Avalon Geelong ⁽¹⁾	120				
Headline Outlays (PBS)	11,412,059	12,109,709	12,064,002	12,278,984	12,508,445

Note:

1. Classified as Asset Sales Function.

For further details on the underlying outlays concept, see Budget Paper No.1.

Table 3: Defence Appropriation and Staffing Summary

	1997-98 Estimated Outcome \$'000	1998-99 Budget Estimate \$'000
Defence Function Outlays: Portfolio Budget Statements	10,356,241	10,945,457
Add		
Division 180-02-09 Young Endeavour Program for Youth (Culture and Recreation Function)	1,809	1,818
MSBS Payments and Contributions	129,433	130,621
DFRDB Payments and Contributions	922,105	1,029,319
Delete		
<u>Other Departments</u>		
Department of Finance & Administration		
Advance to States under Housing Agreements	-1,264	-1,340
DHA Principal Repayment	-1,087	-1,154
Department of Employment, Education, Training and Youth Affairs		
Traineeship Employment Subsidies ⁽¹⁾		100
Defence Receipts and Trust Accounts offset within outlays	-566,156	-577,650
Special Appropriations	1,076,145	1,181,483
BUDGET PAPER NO.4, APPROPRIATION BILL (NO. 1)	10,901,950	11,505,776
1998-99 DEFENCE APPROPRIATION		
STAFFING (in staff year equivalents)		
Permanent Force	55,748	54,035
Reserves	3,759	4,124
Civilians	17,479	17,042
Sub-Total	76,986	75,201
Staff Paid from Trust Funds	99	89
TOTAL STAFFING (staff year equivalents)	77,085	75,290

Note:

1. \$0.1m is included in the 1998-99 Budget. For appropriation purposes this item is attributed to DEETYA, but for reporting of expenditure purposes it is attributed to Defence.

COMPOSITION OF 1998-99 BUDGET ESTIMATE

TABLE 1: APPROPRIATION BILL NO.1

Division/Sub-Division	\$'000	\$'000
DEFENCE FUNCTION		
Division 180 - ADMINISTRATIVE		
1. Running Costs	5,536,414	
2. Other Services		
01. Payments to Boeing Australia Ltd under the Sale and Purchase Agreement for Aerospace Technologies of Australia Limited	1,580	
02. Payments to tertiary institutions and other bodies for defence science research	632	
03. Payments under subsection 34A(1) of the Audit Act 1901	117	
04. Emergency Management Australia - Assistance to the States, the Northern Territory and the ACT	6,785	
05. Woomera Village - Operating Expenses (for payment to the Defence Support Centre, Woomera Trust Account)	7,499	
06. Voyager Compensation - Actions commenced since 1 December 1988	1,000	
07. Compensation and Legal Expenses	127,030	
08. Payments to the University of New South Wales for running costs of the University College at the Australian Defence Force Academy	35,256	
10. Grants to independent organisations and individuals to promote defence related activities - public discussion, historical research, preservation of defence heritage and support services	1,558	
11. Compensation for detriment caused by defective administration	350	
12. Ex Gratia payments in respect of Australian Defence Force compensable injuries or deaths	2,200	
Total Division 180 - ADMINISTRATIVE		5,720,421
Division 181 - EQUIPMENT & STORES		4,964,650
Division 182 - DEFENCE CO-OPERATION		67,403
Division 183 - DEFENCE PRODUCTION		17,887
Division 184 - ADI LIMITED		50
Division 185 - DEFENCE FACILITIES		500,299
Division 186 - DEFENCE HOUSING		233,248
SUB-TOTAL DEFENCE FUNCTION		11,503,958
NON-DEFENCE FUNCTION		
Division 180 - ADMINISTRATIVE		
2. Other Services		
09. Young Endeavour program for youth	1,818	
SUB-TOTAL NON-DEFENCE FUNCTION		1,818
1998-99 TOTAL APPROPRIATION BILL NO.1		11,505,776

TABLE 2: OTHER APPROPRIATIONS

Item	\$'000	\$'000
DEFENCE FUNCTION		
Special Appropriation Defence Force (Home Loans Assistance) Act 1990	5,500	
Special Appropriation MSBS (Retention Benefit component)	16,043	
Traineeship Employment Subsidies - DEETYA	100	
SUB-TOTAL DEFENCE FUNCTION		21,643
NON-DEFENCE FUNCTION		
Special Appropriation DFRDB	1,071,511	
Special Appropriation MSBS	167,115	
SUB-TOTAL NON-DEFENCE FUNCTION		1,238,626
1998-99 TOTAL OTHER APPROPRIATIONS		1,260,269

TABLE 3: ESTIMATES OF RECEIPTS OFFSET WITHIN OUTLAYS

Portfolio/Function	\$'000	\$'000
DEFENCE FUNCTION		
Defence Portfolio	-577,650	
Finance Portfolio	-2,494	
SUB-TOTAL DEFENCE FUNCTION		-580,144
NON-DEFENCE FUNCTION		
Defence Portfolio/Government Superannuation Benefits Function	-78,686	
SUB-TOTAL NON-DEFENCE FUNCTION		-78,686
1998-99 TOTAL RECEIPTS		-658,830

TABLE 4: COMPOSITION OF DEFENCE PORTFOLIO OUTLAYS

	\$'000	\$'000
Appropriation Bill No.1 (Table 1)	11,505,776	
Other Appropriations (Table 2)	1,260,269	
Total Appropriations – Defence Portfolio		12,766,045
Receipts - Defence Portfolio (Table 3 - part)		-656,336
1998-99 BUDGET ESTIMATE - DEFENCE PORTFOLIO OUTLAYS		12,109,709

TABLE 5: COMPOSITION OF DEFENCE FUNCTION OUTLAYS

	\$'000	\$'000
Appropriation Bill No.1 (Table 1)	11,503,958	
Other Appropriations (Table 2)	21,643	
Total Appropriations - Defence Function		11,525,601
Receipts - Defence Function (Table 3)		-580,144
1998-99 BUDGET ESTIMATE - DEFENCE FUNCTION OUTLAYS		10,945,457

ADF/CIVILIAN PERSONNEL BY EQUIVALENT RANK AND PROGRAM - 1997-98 ESTIMATED OUTCOME

	Defence Headquarters	Navy	Army	Air Force	Intelligence	Support Command	Joint Education and Training	Personnel Executive	Acquisition	Science and Technology	Defence Estate	Corporate Information	Corporate Support	Finance and Inspector General	Total
NAVY															
1 Star Officers and above	6	12	0	0	0	3	3	5	4	0	0	0	1	0	34
Senior Officers ⁽¹⁾	38	169	0	1	10	22	9	62	38	3	5	3	26	3	389
Officers	104	1,456	4	9	21	220	313	206	99	2	11	6	153	4	2,608
Other Ranks	95	8,478	25	8	190	275	24	500	40	4	43	13	1,509	5	11,209
Reserves		1,234				530		176							1,940
Total	243	11,349	29	18	221	1,050	349	949	181	9	59	22	1,689	12	16,180
ARMY															
1 Star Officers and above	11	0	20	0	3	5	1	6	1	0	1	1	1	0	50
Senior Officers ⁽¹⁾	77	0	218	2	7	78	8	86	25	3	18	6	29	3	560
Officers	144	3	2,741	24	21	400	470	323	87	6	38	34	215	3	4,509
Other Ranks	196	18	15,632	74	147	1,234	53	966	35	0	42	161	1,500	2	20,060
Reserves	209		23,903		1	459		965					220		25,757
Total	637	21	42,514	100	179	2,176	532	2,346	148	9	99	202	1,965	8	50,936
AIR FORCE															
1 Star Officers and above	8	0	0	16	1	3	1	3	4	0	1	0	0	1	38
Senior Officers ⁽¹⁾	43	1	3	206	9	55	5	76	48	3	12	15	12	3	491
Officers	75	3	17	1,957	23	470	320	293	222	2	49	96	188	3	3,718
Other Ranks	66	3	23	6,791	187	2,908	32	751	164	0	55	436	665	1	12,082
Reserves				1,760											1,760
Total	192	7	43	10,730	220	3,436	358	1,123	438	5	117	547	865	8	18,089
CIVILIANS															
Senior Executives	12	1	1	1	12	2	3	3	19	18	3	3	4	9	91
Senior Officers ⁽¹⁾	72	64	20	61	156	93	34	153	509	989	41	134	111	122	2,559
Others	152	414	1,153	307	651	4,909	133	1,447	836	1,021	381	392	2,785	248	14,829
Total	236	479	1,174	369	819	5,004	170	1,603	1,364	2,028	425	529	2,900	379	17,479
TOTAL DEFENCE	1,308	11,856	43,760	11,217	1,439	11,666	1,409	6,021	2,131	2,051	700	1,300	7,419	407	102,684
Trust Account Staff													99		
TOTAL DEPARTMENT	1,308	11,856	43,760	11,217	1,439	11,666	1,409	6,021	2,131	2,051	700	1,300	7,518	407	102,783

Note:

1. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and Civilian Senior Officer Grades A, B & C.

ADF/CIVILIAN PERSONNEL BY RANK (EQUIVALENT) AND PROGRAM - 1998-99 BUDGET ESTIMATE

	Defence Headquarters	Navy	Army	Air Force	Intelligence	Support Command	Joint Education & Training	Personnel Executive	Acquisition	Science & Technology	Defence Estate	Corporate Information	Corporate Support	Finance & Inspector General	Total
NAVY															
1 Star Officers and above	6	12			1	4	3	1	4				1	1	33
Senior Officers ⁽¹⁾	38	175		1	10	22	12	60	36	3	5	3	15	2	382
Officers	104	1,510	4	9	21	220	313	208	89	2	11	6	89	3	2,589
Other Ranks	95	9,079	25	8	185	268	18	504	33	4	39	13	570	5	10,846
Reserves		1,137				525		174							1,836
Total	243	11,913	29	18	217	1,039	346	947	162	9	55	22	675	11	15,686
ARMY															
1 Star Officers and above	12		19		1	5	1	4	1		1	1			45
Senior Officers ⁽¹⁾	79		217	2	7	78	8	76	22	3	16	12	21	3	544
Officers	139	3	2,919	24	21	400	472	307	44	6	23	34	151	3	4,546
Other Ranks	197	18	15,871	74	144	842	51	862	22		24	142	1,016	2	19,265
Reserves	209		24,653		1	459		965					220		26,507
Total	636	21	43,679	100	174	1,784	532	2,214	89	9	64	189	1,408	8	50,907
AIR FORCE															
1 Star Officers and above	8			16	1	4		2	4					1	36
Senior Officers ⁽¹⁾	43	1	3	206	9	55	5	63	48	3	9	15	12		472
Officers	75	3	17	1,977	23	470	320	281	182	2	45	96	173	4	3,668
Other Ranks	66	3	23	6,808	180	2,908	32	588	132		19	436	412	2	11,609
Reserves				1,800											1,800
Total	192	7	43	10,807	213	3,437	357	934	366	5	73	547	597	7	17,585
CIVILIANS															
Senior Executives	12	1	1	1	12	2	2	5	20	18	3	4	4	8	93
Senior Officers ⁽¹⁾	88	70	19	65	156	93	35	135	566	1,051	41	134	102	127	2,682
Others	140	446	1,096	315	719	4,613	151	1,464	854	1,114	338	328	2,465	224	14,267
Total	240	517	1,116	381	887	4,708	188	1,604	1,440	2,183	382	466	2,571	359	17,042
TOTAL DEFENCE	1,311	12,458	44,867	11,306	1,491	10,968	1,423	5,699	2,057	2,206	574	1,224	5,251	385	101,220
Trust Account Staff															89
TOTAL DEPARTMENT	1,311	12,458	44,867	11,306	1,491	10,968	1,423	5,699	2,057	2,206	574	1,224	5,340	385	101,309

Note:

1. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and Civilian Senior Officer Grades A, B & C.

STATUS OF COMMERCIAL SUPPORT PROGRAM ACTIVITIES
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CSP OUTCOMES

CSP Evaluation Decisions Made	82
Commercial Contracts	54
In-House Options	23
Status Quo Retained	5
Projected recurring annual savings to date	\$155m
Mean projected annual savings as a percentage of baseline costs	33%
Number of positions tested	7,454

CSP REQUESTS FOR TENDER RELEASES EXPECTED IN FY1998-99

Requests for Tender for around 18 activities covering the work of about 4,000 positions are expected to be made in FY1998-99.¹ These activities are expected to cover garrison support throughout the Northern Territory, ACT, Victoria and NSW (totalling about 1,500 positions), and specific logistics activities (totalling about 2,500 positions). Some of these activities include:

- 501/503 WG business units (RAAF Bases Amberley and Richmond)
- PC/9 Integrated Logistics Support (RAAF Bases Pearce and Sale)
- Defence National Storage and Distribution Centre (Moorebank)
- ADF Explosive Ordnance (National)
- Southern Logistics Battalion (Victoria)
- South Queensland Logistics Group (Bulimba, Qld)

¹ Some clerical and administrative, personnel and medical dental activities may be offered for tender in FY1998-99, but definitive numbers or timings are currently unavailable.

PEACEKEEPING AND OTHER OPERATIONS

Australia's approach to peacekeeping was set out in the paper on *Peacekeeping Policy: The Future Australian Defence Force Role* which was issued by the then Minister for Defence in June 1993.

In recent years, the primary focus has been on regional defence cooperation in the form of individual, expert assistance to promote regional security and stability by developing the capacity to work with regional countries to confront future security challenges. Regional cooperation also extends to providing assistance in humanitarian operations. Defence involvement in the Bougainville Truce Monitoring Group; assisted departure of Australians and other nationals from Phnom Penh in July 1997; and drought-relief assistance to Papua New Guinea in 1997-98 have been recent examples of these efforts in regional activities.

Defence continues to contribute to international peacekeeping, providing forces as directed by Government to support multinational security efforts and to provide technical and policy support to non-proliferation initiatives.

The following table summarises the 1997-98 Estimated Outcome and the 1998-99 Budget Estimate of the financial impact on Defence of peacekeeping and regional operations. Elements used to determine this impact include the gross additional cost; the level of recoveries to Defence; the level of supplementation received by Defence; and the net additional cost. These estimates exclude personnel related costs which are already provided for in the Defence budget. UN recoveries not retained by Defence do not impact on the net cost to Defence.

The extent of supplementation provided to Defence for peacekeeping and regional cooperation tasks is determined by Government on a case-by-case basis. Defence has tended not to seek supplementation for smaller scale activities.

Defence support to drought relief in Papua New Guinea and ADF deployment to Guatemala in support of United Nations operations have now ceased. The ADF involvement in the Persian Gulf Multinational Force continues, with negotiations under way concerning further deployment until late 1998.

The Bougainville Truce Monitoring Group has been replaced with a Peace Monitoring Group as of 1 May 1998. Defence involvement will be continuing until April 1999, subject to regular review.

Defence support to the joint (Australia, Indonesia) humanitarian relief operation in the Indonesian province of Irian Jaya commenced in April 1998 and is expected to continue until July 1998.

The ADF deployments to Mozambique in support of United Nations Operations and to Sinai in support of the Multinational Force and Observers have been extended to January 2000.

DEPLOYMENT		1997-98 Estimated Outcome \$m	1998-99 Budget Estimate \$m
Persian Gulf Deployment - Iraq	Gross Cost	7.152	0.092
	Recoveries	-	-
	Supplementation	-	-
	Net Cost	7.152	0.092
Multinational Force and Observers - Sinai	Gross Cost	1.830	2.160
	Recoveries	-1.405	-0.635
	Supplementation	0.110	0.360
	Net Cost	0.535	1.885
United Nations Peacekeeping Force – Mozambique ⁽¹⁾ (De-mining Advisers)	Gross Cost	0.167	0.167
	Recoveries	-	-
	Supplementation	-	-
	Net Cost	0.167	0.167
United Nations Operations - Bosnia	Gross Cost	0.405	-
	Recoveries	-	-
	Supplementation	-	-
	Net Cost	0.405	-
Secondments to United Nations Headquarters ⁽¹⁾	Gross Cost	0.704	0.722
	Recoveries	-	-
	Supplementation	-	-
	Net Cost	0.704	0.722
United Nations Special Commission – Iraq ⁽¹⁾	Gross Cost	0.239	0.217
	Recoveries	-	-
	Supplementation	-	-
	Net Cost	0.239	0.217
United Nations Truce Supervisory Organisation - Middle East ⁽¹⁾	Gross Cost	2.188	2.185
	Recoveries	-	-
	Supplementation	-	-
	Net Cost	2.188	2.185
Bougainville Truce Monitoring Group	Gross Cost	8.498	24.102
	Recoveries	-0.191	-0.455
	Supplementation	-	-
	Net Cost	8.307	23.647
Drought Relief Assistance to Papua New Guinea	Gross Cost	12.062	0.200
	Recoveries	-12.000	-
	Supplementation	-	-
	Net Cost	0.062	0.200
TOTAL	Gross Cost	33.245	29.845
	Recoveries	-13.596	-1.090
	Supplementation	0.110	0.360
	Net Cost	19.759	29.115

Note:

1. Expenditure figures for those activities which are funded from within individual Program allocations are estimates only, as the data on small activities are not captured separately from other operational activities.

DISCRETIONARY GRANTS

Title of Grant Program	Payments			Estimates				
	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Royal United Services Institute of Australia	0.025	0.025	0.025	0.058	0.088	0.088	0.088	0.088
Australian Military History Research	0.073	0.096	0.095	0.100	0.100	0.100	0.100	0.100
The Australian Red Cross Museums for preservation of Defence Heritage		0.030	0.000	0.012				
Strategic and Defence Studies Centre Australian National University	0.362	0.305	0.295	0.289	0.120			
Defence Family Support Program ⁽¹⁾				1.217	1.250	1.250	1.250	1.250
Blackhawk Memorial				0.025				
Total	0.460	0.556	0.415	1.701	1.558	1.438	1.438	1.438

Note:

1. Prior to 1997-98 the Defence Family Support Program was not considered to be a grant. Following discussions with DoFA, from 1997-98 onwards the payment is being treated as a grant.

Royal United Services Institute (RUSI)

The grant to RUSI was established in 1974 and provides assistance in publishing Defence articles in the RUSI biennial journal, and in sponsorship of lectures and seminars on strategic and national defence issues. These lectures are attended by numerous Defence personnel.

Australian Military History Research

The grant was established in 1993-94 to provide financial assistance for research into the role Army has played in the development of the nation. The grant is administered by the Army History Directorate through the Army Military History Projects Committee.

Strategic and Defence Studies Centre, ANU

The financial support provided by Defence commenced in 1974. Its purpose is to encourage independent research into, and analysis of, defence and security issues relevant to Australia, to increase public awareness, and to provide a centre of expertise of value to Defence's own work in this area.

Defence Family Support Program

This program commenced in FY1989-90, and provides funds to support projects and services initiated by Defence families. Grants are also available to existing groups in the community composed of, or benefiting, Defence families.

REDIRECTION OF 125m ADMINISTRATIVE SAVINGS INITIATIVES

Program/Initiative	1997-98 \$m	1998-99 \$m 1998-99 Prices	FYDP Total \$m ⁽¹⁾
PERSONNEL			
Child Care: funding for ADF childcare facilities and extended hours of operation. Additional funding for the construction of six new centres is being provided through the Facilities program.	1.030	1.450	6.830
Family Support: the maximum level of grants available under Family Support funding increased from \$20,000 to \$50,000.	0.310	0.310	1.550
Spouse Employment: an enhanced Spouse Employment Assistance Program, particularly targeting remote localities, and development of a spouse employment database.	0.510	0.530	4.130
Recruitment: advertising initiatives to meet increased recruitment targets for the ADF, particularly for the 17-24 year age bracket.	3.160	3.160	15.800
Personnel Management System: improved automated personnel system, streamlining personnel management.	0.630	0.570	1.200
Retention Initiatives: retention initiatives for specialists in critically short supply.	10.870	10.650	29.470
Extension of Home Owner Loan Scheme to Reserves: extends the enhanced ADF homeowner Scheme (subsidised home loans) to Reserve personnel.	2.060	2.570	14.910
NAVY			
Anti-Submarine Warfare Sonobuoys: more flexible sonobuoys for improved training and weapon systems qualifications	7.680	6.590	17.670
ARMY			
Restructuring the Army: covering Restructuring the Force, General Reserve enhancement and acquisition of critical equipment to support the restructuring, including Project Pintail.	13.120	-28.850	-15.730
ARA Transfers: transfer of a number of Ready Reserve personnel into the Australian Regular Army.	8.130	0.000	8.130
Special Forces: a new predominantly full-time Commando Regiment with new equipment.	2.060	5.150	7.210
Special Forces Wide Area Network and Special Recovery Command Support System: provides wide-area connectivity to support special recovery operations.	0.250	0.000	0.250
Weapon Training Simulation System: laser simulation for modified small arms which can be used in an indoor range.	2.430	13.030	15.460
Tactical Engagement Simulation System: increase in provisioning to enhance Reserve and full-time personnel training.	0.520	3.090	3.610
AIR FORCE			
F-111 Commonality: partial upgrade to the F-111G, contributing to increasing commonality with the F-111C, improving fleet management and operational flexibility.	0.820	0.000	0.820

Program/Initiative	1997-98	1998-99	FYDP Total
	\$m	\$m	\$m ⁽¹⁾
	1998-99 Prices		
F-111 'R5' Servicing: establishment of a second major servicing line for either the F-111Cs, Gs, or RFs.	2.780	2.780	13.900
F/A-18 Operational Capability: enhancement of capability through provision of engine parts for the 'hot end' and afterburners.	12.360	0.000	12.360
GBU-24 (Glide Bomb Units): acquisition of extended capability laser guided bomb.	0.520	0.000	0.520
Army Aviation: funding for the Black Hawk repairable item pool, and Black Hawk and other Army aviation maintenance.	14.220	7.210	21.430
F-111 Electronic Warfare Upgrade: enhancement to F-111 electronic warfare capability.	2.580	1.030	3.610
INTELLIGENCE PROPOSALS	9.180	1.500	15.180
ACQUISITION			
Military Satellite Communications: acquisition of US Navy equipment for Anzac and Collins ships.	3.140	4.970	28.610
Night Fighting Equipment: for land force units.	13.950	34.380	68.750
Global Positioning System: for land force units.	3.430	22.530	33.170
ASLAV Surveillance: specialised surveillance wheeled light armoured vehicles for 2nd Cavalry Regiment.	0.020	0.590	27.550
F-111 - Commonality: partial upgrade to the F-111G.	2.050	5.430	13.070
F/A-18 Omni 15C: upgrade of Operational Flight Program system software.	2.740	3.970	18.190
Black Hawk Trainer: conversion of an unserviceable Black Hawk airframe for use as a maintenance training unit, releasing a serviceable Black Hawk for operational tasking.	0.170	1.830	4.020
CH-47 Helicopters: purchase of additional Chinooks.	42.630	19.000	62.140
Harpoon: Acquisition of additional Harpoon missiles.	7.180	38.480	66.840
Project Girralong: a research and development project aiming to produce data fusion technology for the ADF.	1.260	0.000	1.260
P3C Harpoon: an engineering change to incorporate an on-line 'Block 1C' Harpoon missile capability into the P3C.	3.530	0.760	4.290
Air-to-air weapons capability: acquisition of additional missiles.	0.000	18.190	18.190
Air-to-surface weapons capability: acquisition of additional missiles.	9.660	28.670	38.330
SCIENCE AND TECHNOLOGY			
Anti Ballistic Missile/Ballistic Missile Defence Organisation: purchase of missiles and equipment for research purposes.	1.030	1.030	5.150
S&T Research and Development: R&D activities to support capability development.	0.520	0.000	0.520
TOTAL PACKAGE ²	186.530	210.600	568.390

Notes:

1. Total estimated savings across the Five Year Defence Program (FYDP) from 1997-98 to 2001-02.
2. Totals may not add due to rounding.

DEFENCE COOPERATION

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
PAPUA NEW GUINEA				
<p><u>Personnel</u> Australian personnel assistance in PNG (1998-99: 34), including support for public works engineering projects, communications, technical and training management, ADF members integrated into the PNGDF to assist in technical and training functions; and the attachment of PNGDF personnel in Australia (1998-99: 3).</p>	7.744	6.690	7.103	0.413
<p><u>Projects:</u> Including rotary-wing assistance, communications assistance to the PNG police, assistance to the Bougainville peace process, rations support to PNGDF messes, provision of military uniforms and personal equipment, and refits for two PNGDF Landing Craft Heavy. In 1998-99, projects will be managed under a capability/program structure and will include assistance with strategic planning, force development, maritime security and a number of other projects.</p>	0.830	7.456	2.900	-4.556
<p><u>Training and Study Visits:</u> Training provided by Australia to support the competence and professionalism of PNG personnel in military skills and technical areas. Training conducted in Australia (1998-99: 95) includes Joint and single-Service Staff Colleges; Navy professional officer and technical courses; Army infantry officer courses; Air Force technical training, non-commissioned officer courses, technical trade training, medical and engineering training. Training conducted in-country in PNG includes technical and specialist courses, and the proposed conduct of maritime and land exercises.</p>	6.431	4.349	5.902	1.553
TOTAL PAPUA NEW GUINEA	15.005	18.495	15.905	-2.590

SOUTH PACIFIC REGION				
VANUATU				
<p><u>Personnel</u> Personnel attached to the Vanuatu Police/Mobile Force (1998-99: 6) to advise on communications, maritime surveillance operations, Pacific Patrol Boat (PPB) technical support and training.</p>	1.232	1.047	1.099	0.052

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
<u>Projects</u> Includes construction of a Joint Force Headquarters, communications and maritime exercise assistance to the Vanuatu Police/Mobile Force.	0.795	0.927	1.636	0.709
<u>Training and Study Visits</u> Technical and professional development training for Vanuatu Police/Mobile Force personnel in Australia (1998-99: 11), in-country training and study visits.	0.150	0.245	0.225	-0.020
TOTAL VANUATU	2.177	2.219	2.960	0.741

SOLOMON ISLANDS				
<u>Personnel</u> Personnel attached to the Royal Solomon Islands Police Force (1998-99: 3) to advise on PPB technical support and survey operations.	0.650	0.470	0.506	0.036
<u>Projects</u> Includes survey, explosive ordnance disposal, police communications, PPB wharf upgrade and facilitation of a Strategic Review.	0.760	0.575	0.339	-0.236
<u>Training and Study Visits</u> Technical and professional training for Royal Solomon Islands Police Force personnel in Australia (1998-99: 25) and study visits.	0.106	0.100	0.437	0.337
TOTAL SOLOMON ISLANDS	1.516	1.145	1.282	0.137

TONGA				
<u>Personnel</u> Personnel attached to the Tonga Defence Service (1998-99: 4) to advise on communications, PPB technical support, maritime surveillance operations and construction management.	0.606	0.632	0.564	-0.068
<u>Projects</u> Includes communications, redevelopment of Taliai barracks and Tonga Defence Service Naval Base, and support for PPB operations.	1.379	1.162	1.132	-0.030
<u>Training and Study Visits</u> Training in Australia (1998-99: 20), including Navy professional and Army technical training and visits to Australia.	0.341	0.424	0.276	-0.148
TOTAL TONGA	2.326	2.218	1.972	-0.246

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
SAMOA				
<u>Personnel</u> Personnel attached to the Samoa Police Force (1998-99: 3) to advise on police communications, maritime surveillance operations and PPB technical support.	0.381	0.432	0.375	-0.057
<u>Projects</u> Includes police communications and support for PPB operations.	0.124	0.076	0.150	0.074
<u>Training and Study Visits</u> Training in Australia (1998-99: 5) and study visits.	0.018	0.075	0.072	-0.003
TOTAL SAMOA	0.523	0.583	0.597	0.014

KIRIBATI				
<u>Personnel</u> Personnel attached to the Kiribati Police Force (1998-99: 3) to advise on maritime surveillance operations and PPB technical support.	0.550	0.462	0.390	-0.072
<u>Projects</u> Communications and support for PPB operations.	0.150	0.213	0.190	-0.023
<u>Training and Study Visits</u> Training in Australia (1998-99: 3) and study visits.	0.079	0.104	0.047	-0.057
TOTAL KIRIBATI	0.779	0.779	0.627	-0.152

COOK ISLANDS				
<u>Personnel</u> Personnel attached to the Cook Islands Police (1998-99: 2) to advise on maritime surveillance operations and PPB technical support.	0.263	0.262	0.270	0.008
<u>Projects</u> Support for PPB operations.	0.106	0.106	0.101	-0.005
<u>Training and Study Visits</u> Study visits.	0.011	0.026	0.011	-0.015
TOTAL COOK ISLANDS	0.380	0.394	0.382	-0.012

FIJI				
<u>Personnel</u> Personnel attached to the Royal Fiji Military Force (1998-99: 8) to advise on maritime surveillance operations, construction engineering and officer and non-commissioned officer training.	1.012	0.912	1.028	0.116

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
<u>Projects</u> Includes construction of Royal Fiji Military Force training and support facilities.	0.201	0.220	0.720	0.500
<u>Training and Study Visits</u> Training in Australia for Fiji personnel (1998-99: 120) including officer training at Joint and single-Service Staff Colleges, career development courses at all levels and policy/study visits.	2.311	1.917	2.036	0.119
TOTAL FIJI	3.524	3.049	3.784	0.735

MARSHALL ISLANDS				
<u>Personnel</u> Personnel attached to the Republic of the Marshall Islands Sea Patrol (1998-99: 2) to advise on maritime surveillance operations and PPB technical support.	0.534	0.434	0.513	0.079
<u>Projects</u> Support for PPB operations.	0.020	0.000	0.020	0.020
<u>Training and Study Visits</u> Study visits.	0.011	0.035	0.020	-0.015
TOTAL MARSHALL ISLANDS	0.565	0.469	0.553	0.084

FEDERATED STATES OF MICRONESIA				
<u>Personnel</u> Personnel attached to the Federated States of Micronesia Maritime Patrol (1998-99: 3) to advise on maritime surveillance operations and PPB technical support.	0.676	0.507	0.525	0.018
<u>Projects</u> Support for PPB operations.	0.025	0.000	0.030	0.030
<u>Training and Study Visits</u> Training in Australia on courses for Federated States of Micronesia personnel (1998-99: 1) and study visits.	0.065	0.065	0.110	0.045
TOTAL FEDERATED STATES OF MICRONESIA	0.766	0.572	0.665	0.093

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
TUVALU				
<u>Personnel</u> Personnel attached to the Tuvalu Police Force (1998-99: 3) for maritime surveillance operations and PPB technical support.	0.383	0.374	0.383	0.009
<u>Projects</u> Support for PPB operations and adviser housing.	0.400	0.420	0.180	-0.240
<u>Training and Study Visits</u> Training in Australia (1998-99: 7) and study visits.	0.024	0.027	0.057	0.030
TOTAL TUVALU	0.807	0.821	0.620	-0.201

PALAU				
<u>Personnel</u> Personnel attached to the Palau Police Force (1998-99: 3) to advise on maritime surveillance operations and PPB technical support.	0.513	0.458	0.473	0.015
<u>Projects</u> Support for PPB operations.	0.020	0.020	0.020	0.000
<u>Training and Study Visits</u> Study visits.	0.042	0.042	0.042	0.000
TOTAL PALAU	0.575	0.520	0.535	0.015

MULTILATERAL PROGRAM - SOUTH PACIFIC				
<u>Personnel</u> Personnel attached to the South Pacific Forum Fisheries Agency (1998-99: 2) to advise on fisheries surveillance issues.	0.301	0.353	0.574	0.221
<u>Projects</u> Continuation of PPB half life refit program. Ongoing provision of logistics and technical support to all PPB recipient countries. Implementation of a Vessel Monitoring System and provision of support staff for the system and other minor projects.	6.325	6.508	6.891	0.383
<u>Training and Study Visits</u> Includes policy discussions, visits and seminars with South Pacific countries and follow on training at the Australian Maritime College (1998-99: 170) to support all PPB recipients.	3.393	3.446	3.865	0.419
TOTAL MULTILATERAL PROGRAM – SOUTH PACIFIC	10.019	10.307	11.330	1.023
TOTAL SOUTH PACIFIC REGION	23.957	23.076	25.307	2.231

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
SOUTH EAST ASIA AND INDOCHINA				
MALAYSIA				
<u>Personnel</u> Attachments of ADF personnel to the Royal Malaysian Armed Forces (1998-99: 15) to assist with the development of its capabilities, and a program of exchanges/attachments of Malaysian personnel (1998-99: 10) to various Navy, Army and other Defence units and establishments in Australia.	3.100	2.482	2.539	0.057
<u>Projects</u> Assistance for Malaysia's development of defence financial management, training technology, equipment operation, logistic support and acquisition activities, Army helicopter assets, food science, vehicle trials and submarine projects.	0.195	0.232	0.220	-0.012
<u>Training and Study Visits</u> Training in Australia for Malaysian personnel (1998-99: 120) including Joint and single-Service Staff Colleges; Navy navigation officer, training technology and hydrography; Army corps training for officers and non-commissioned officers, officer cadet, instructor development, explosive ordnance disposal and technical training; Air Force engineer, air traffic controller, navigator instructor, supply management instructor and technical/trade training. The combined Exercise Southern Tiger, a biennial exercise held at battalion level, took place in 1997-98.	3.201	3.106	3.067	-0.039
TOTAL MALAYSIA	6.496	5.820	5.826	0.006

THAILAND				
<u>Personnel</u> Australian personnel assistance in Thailand (1998-99: 2) including provision of a defence science advisor to the Thai Defence Research and Development Organisation to advise on a range of defence science and capability planning issues and, in 1998-99, the attachment of an English language adviser to the Defence Section, Bangkok, to assist the Thai military in the development of English language programs (1998-99: 2).	0.111	0.090	0.180	0.090
<u>Projects</u> Assistance for Thailand's development of defence management and capability planning, financial management, logistics, English language, defence science and technology and malarial research.	0.250	0.168	0.320	0.152

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
<u>Training and Study Visits</u> Training in Australia for Thai personnel (1998-99: 100) including Joint and single-Service Staff Colleges, Navy, Army and Air Force training for officers and non-commissioned officers, combat instructor and special forces group training, and technical training. Visits by Thai officers to study emergency management, defence management, naval logistics and commercialisation.	3.639	3.092	3.616	0.524
TOTAL THAILAND	4.000	3.350	4.116	0.766

INDONESIA				
<u>Personnel</u> Australian personnel to provide Nomad aircraft maintenance advisory assistance to the Indonesian Navy (1998-99: 3); support for an English language advisor attachment to the Indonesian armed forces central language training school and RAAF and RAN attachments to the Indonesian Air Force and Navy Staff Colleges; attachments of Indonesian Navy and Air Force officers in Australia (1998-99: 2) to develop their professional skills.	1.339	1.024	1.548	0.524
<u>Projects</u> Cooperative assistance in areas of defence industry, logistics and science projects.	0.257	0.216	0.200	-0.016
<u>Training and Study Visits</u> Training in Australia (1998-99: 100) for Indonesian personnel including: Joint and single-Service Staff Colleges, postgraduate tertiary studies, English language training, maritime/air surveillance, Navy navigation, submarine escape and technical training, peacekeeping training, Army corps training for officers, instructor development and Air Force technical training. Collective Army training in Indonesia and visits to Australia and in-country.	5.404	4.760	4.002	-0.758
TOTAL INDONESIA	7.000	6.000	5.750	0.250

PHILIPPINES				
<u>Personnel</u> Attachment of an ADF officer (1998-99: 1) to facilitate development and implementation of Defence Cooperation activity initiatives; attachments of Philippines armed forces personnel (1998-99: 2) for doctrine development in Australia and short term Australian Army attachments in the Philippines.	0.166	0.254	0.452	0.198

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
<u>Training and Study Visits</u> Training in Australia for Philippines Armed Forces personnel (AFP) (1998-99: 110) including Joint and single-Service Staff Colleges; officer professional development, and Services trade and technical training. Visits to Australia to examine ADF logistics, doctrine, strategic and force structure planning, equipment procurement, training systems and Australian Defence Industry.	4.334	3.646	4.508	0.862
TOTAL PHILIPPINES	4.500	3.900	4.960	1.060

SINGAPORE				
<u>Training and Study Visits</u> Support for attendance by Singapore Armed Forces personnel (1998-99: 5) at Joint and single-Service Staff Colleges, and officer cadet training at ADFA (until Jun 98) and Duntroon. Cooperation with the Singapore Armed Forces Command and Staff College, policy visits in-country and study visits to Australia.	1.000	1.000	0.750	-0.250
TOTAL SINGAPORE	1.000	1.000	0.750	-0.250

CAMBODIA				
<u>Personnel</u> Provision of personnel support (1998-99: 1) for the attachment of an English language advisor to the Royal Cambodian Armed Forces English Language School in Phnom Penh.	1.020	0.002	0.276	0.274
<u>Projects</u> Includes Communications, Maritime Assistance, and English Language training projects and, in 1998-99, a health assistance project.	0.710	0.038	0.060	0.022
<u>Training and Study Visits</u> Training in Australia (1998-99: 4) and visits associated with Defence Cooperation projects.	0.376	0.115	0.097	-0.018
TOTAL CAMBODIA	2.106	0.155	0.433	0.278

INDOCHINA				
<u>Projects</u> Assistance to Vietnam with English language training, ammunition proofing and malarial research, and assistance to Laos with English language training.	0.000	0.000	0.267	0.267

RECENTLY COMPLETED, CURRENT AND PLANNED ACTIVITIES	1997-98 Budget Estimate (\$m)	1997-98 Estimated Outcome (\$m)	1998-99 Budget Estimate (\$m)	Variation (\$m)
<u>Training and Study Visits</u>	0.000	0.000	0.285	0.285
Training in Australia (1998-99: 4) and visits associated with Defence Cooperation projects.				
TOTAL INDOCHINA	0.000	0.000	0.552	0.552
TOTAL SOUTH EAST ASIA AND INDOCHINA	25.102	20.225	22.387	2.162

OTHER REGIONAL ACTIVITIES				
<u>Training and Study Visits</u>	2.187	1.433	1.612	0.179
Training in Australia (1998-99: 8) for India, Pakistan and other Asian personnel including Joint and single-Service Staff Colleges; multilateral training activities including maritime air surveillance, defence systems management, peacekeeping seminars, study visits and support for multilateral training related activities.				
<u>Defence Regional Cooperation</u>	1.500	0.272	2.089	1.817
Provision for new regional cooperation initiatives with Asian countries.				
TOTAL OTHER REGIONAL ACTIVITIES	3.687	1.705	3.701	1.996

FACILITIES FOR TRAINING IN AUSTRALIA (SPECIAL PROJECTS)				
<u>Training Support Equipment</u>	0.102	0.102	0.103	0.001
Items of training equipment for Service schools in Australia in support of Defence Cooperation training.				
TOTAL FACILITIES FOR TRAINING IN AUSTRALIA (SPECIAL PROJECTS)	0.102	0.102	0.103	0.001

Notes:

1. For details of major category of savings initiatives, see Table 1.5.
2. For details of major category of savings reallocation, see Table 1.6.

CAPITAL FACILITIES EXPENDITURE

The following pages provide details of estimated expenditure on works in progress and new works in the Defence Capital Facilities Program for 1998-99. This appendix should be read in conjunction with the Defence Estate Program Statement in Section Two of this document.

All major works (ie. \$6.0m or greater) and medium works (ie. \$0.250m to \$5.999m) are approved at an outturn cost inclusive of fee for service and contingency.

Projects annotated with * indicates new commencements in 1998-99.

Projects annotated with # indicate the project is either not running to cost and/or time.

STATE, FEDERAL ELECTORATE AND LOCALITY	PROGRAM OF WORKS	Total Estimated Cost \$'000	Estimated Expenditure to 30/6/98 \$'000	Budget Estimate 1998-99 \$'000
QUEENSLAND				
BRISBANE	Medium Works			
ENOGERA	2 Combat Engineer Regiment Quartermaster Store	4,000	3,000	1,000
	4 Preventive Medical Company Facility	1,500	1,000	500
	7 Task Force Command Support Unit Rationalisation and Construct Dental Facility	5,500	2,600	2,900
CAPRICORNIA	Medium Works			
SHOALWATER BAY	Small Arms Range Development	2,132	1,000	1,132
	Sewage Works at Samuel Hill Camp	1,100	600	327
	Development of Williamson Airfield *	503	0	400
ROCKHAMPTON	Development of Base Administration Support Centre *	4,860	0	1,500
	Construction of Deployment Facility *	2,780	0	1,580
DICKSON	Medium Work			
PINE RIVERS	Construction of Multi User Depot *	4,075	0	1,000
GROOM	Medium Works			
	Security Upgrade	1,000	500	500
HERBERT	Major Works			
TOWNSVILLE	Construct Facilities for 10 Terminal Regiment	26,369	25,937	432
TOWNSVILLE	Construct Facilities for Black Hawk Helicopters	22,132	15,215	6,429
	Redevelopment of Lavarack Barracks Stage 2 *	139,308	0	10,000
	Redevelopment of RAAF Base Stage 1 *	70,100	0	2,000
KENNEDY	Major Works			
DALRYMPLE SHIRE	Field Training Area Works	18,694	17,266	1,428

STATE, FEDERAL ELECTORATE AND LOCALITY	PROGRAM OF WORKS	Total Estimated Cost \$'000	Estimated Expenditure to 30/6/98 \$'000	Budget Estimate 1998-99 \$'000
LEICHHARDT	Major Works			
WEIPA	Development of RAAF Base Scherger	134,500	129,570	4,930
CAIRNS	Construct Facilities for 51 Far North Queensland Regiment	22,500	50	8,768
	Medium Works			
CAIRNS	Refurbish Kenny St. Offices	630	320	310
OXLEY	Major Works			
AMBERLEY	Provision of Technical Facilities for 6 Squadron	10,253	8,738	1,515
AMBERLEY	Redevelopment of RAAF Base *	77,400	0	7,000
WIDE BAY	Medium Works			
Wide Bay	Redevelop Training Area	3,000	1,600	1,400
TOTAL QUEENSLAND		552,336	207,396	55,051

NEW SOUTH WALES				
BARTON	Medium Works			
ROCKDALE	Construct Multi-User Depot	4,700	600	4,100
CUNNINGHAM	Medium Works			
WOLLONGONG	Relocate Naval Reserve Cadets	850	400	450
GILMORE	Major Works			
HMAS ALBATROSS	Redevelopment of Naval Base Stage 1	34,317	295	20,881
	Redevelopment of Naval Base Stage 2 *	75,600	0	2,000
	Medium Works			
HMAS ALBATROSS	Advance Works	3,700	100	3,600
	Construct Childcare Facility	1,500	1,158	342
HUGHES	Medium Works			
HOLSWORTHY	Relocate 2 Training Group *	5,285	0	1,800
MOOREBANK	Construct Messing and Accommodation Facilities *	4,050	0	2,000
SUTHERLAND	Construct Multi-User Depot	4,209	300	3,909
HUME	Medium Works			
KAPOOKA	Construct Common Instruction Training Facilities 1 Recruit Training Battalion *	5,900	0	5,900
LINDSAY	Medium Works			
ORCHARD HILLS	Security Upgrade for RAAF Munitions Storage	5,779	3,594	2,000
PENRITH	Construct Multi User Depot *	4,460	0	2,000
MACQUARIE	Medium Works			
RAAF RICHMOND	B707 Simulator/C130 Facilities/Medium Tactical Airlift Capability	5,596	4,070	1,526

STATE, FEDERAL ELECTORATE AND LOCALITY	PROGRAM OF WORKS	Total Estimated Cost \$'000	Estimated Expenditure to 30/6/98 \$'000	Budget Estimate 1998-99 \$'000
PARRAMATTA	Base Personnel Administration Centre Medium Works	4,540	1,200	3,340
DUNDAS	Construct Multi-User Depot	4,662	2,150	2,512
PATTERSON	Major Works			
RAAF WILLIAMTOWN	Eastern Regional Operations Centre Development Medium Work	18,000	150	6,000
RAAF WILLIAMTOWN	Oxygen Storage Facility	1,450	130	1,320
SYDNEY	Facilities for Lead-In fighter *	2,800	0	2,800
GARDEN ISLAND	Medium Works			
	Advance Works for Submarine Basing	5,200	2,350	2,850
	Oil Wharf Works and Upgrade of Cruiser Wharf Services	5,800	3,500	2,300
SYDNEY	Works to West Dock Wall *	1,500	0	1,500
	Collocation of 1 Commando Company *	2,500	0	2,500
TOTAL NSW		202,398	19,997	75,630

VICTORIA				
BENDIGO	Medium Works			
BENDIGO	Works Associated with Project Parare	1,550	1,510	40
	Construction of Multi User Depot *	5,050	0	3,000
BURKE	Medium Works			
MONEGETTA	Test Facility	4,350	3,645	705
MT MACEDON	Upgrade of Accommodation	3,120	0	1,500
CORIO	Major Work			
POINT WILSON	Environmental Impact Statement	5,600	5,428	120
	Construction of East Coast Armament Complex	66,670	4,938	14,000
FLINDERS	Major Works			
HMAS CERBERUS	Construction of Technical Training Facilities (Ex Nirimba)	49,445	47,600	1,845
INDI	Major Works			
BANDIANA	Redevelopment Stage 2	20,181	5,150	10,000
	Medium Works			
BONEGILLA	Relocate Army School of Health	2,700	2,100	600
	Redevelopment of Range Complex *	2,038	0	500
JAGAJAGA	Medium Works			
WATSONIA	Redevelopment of Army Facilities	5,361	0	2,000

STATE, FEDERAL ELECTORATE AND LOCALITY	PROGRAM OF WORKS	Total Estimated Cost \$'000	Estimated Expenditure to 30/6/98 \$'000	Budget Estimate 1998-99 \$'000
LALOR	Upgrade Building 6 at Simpson Barracks Medium Works	1,100	1,078	22
LAVERTON	Facilities for ADF School of Languages	4,979	150	4,800
MARIBYRNONG	Major Works			
ALBION	Decontamination Works	38,556	12,531	10,000
McEWEN	Major Works			
PUCKAPUNYAL	Redevelopment Stage 1B	30,882	30,682	200
	Works Associated with Relocation of Artillery Centre	34,805	34,602	203
	Medium Works			
PUCKAPUNYAL	Construct Marksmanship Training Range	5,081	4,400	500
	Construction of facilities for Combat Arms Training Development Centre *	2,500	0	2,500
MELBOURNE	Major Works			
MELBOURNE	Rationalisation of Inner Melbourne Accommodation	30,529	30,234	295
	Fitout of Melbourne Plaza	18,508	18,360	148
	Medium Works			
SOUTH EAST MELBOURNE	Construction of Multi User Depot *	3,563	0	1,000
MELBOURNE PORTS	Major Works			
FISHERMENS BEND	Provision of Transonic Wind Tunnel #	17,163	14,980	1,600
TOTAL VICTORIA		353,731	217,388	55,578

SOUTH AUSTRALIA				
BONYTHON	Medium Works			
SALISBURY	Consolidation of Divisional Stores	570	10	560
	Extend the Defence Science and Technology Organisation Communications Building *	5,075	0	2,000
RAAF EDINBURGH	492 Squadron Engine Build-Up Facility	4,015	130	3,800
	Fuel Installation Facility	1,554	170	1,370
	Advanced Flight Simulator	2,200	170	2,000
BOOTHBY	Medium Works			
WARRADALE	Facilities for 9 Brigade Administrative Support Battalion	4,721	322	4,380
WAKEFIELD	Medium Works			
PORT WAKEFIELD	Relocate Aerial Test Field	3,000	0	3,000

STATE, FEDERAL ELECTORATE AND LOCALITY	PROGRAM OF WORKS	Total Estimated Cost \$'000	Estimated Expenditure to 30/6/98 \$'000	Budget Estimate 1998-99 \$'000
	Rationalisation of Environmental Test Field Facility Functions	4,196	567	3,500
TOTAL SOUTH AUSTRALIA		25,331	1,369	20,610

WESTERN AUSTRALIA				
BRAND	Major Works			
HMAS STIRLING	Development Stage 2 Phase B/C	129,380	122,842	3,000
	Base Development Stage 2D	39,471	30,310	1,000
	Base Development Stage 3	19,000	220	13,000
KALGOORLIE	Major Works			
LEARMONTH	Base Development Stage 1	77,000	22,263	45,737
	Medium Works			
NORTH WEST CAPE	Harold E Holt Decontamination	2,975	2,902	3
PEARCE	Medium Works			
PEARCE	Facilities for Lead-In Fighter *	4,000	0	1,000
TOTAL WESTERN AUSTRALIA		271,826	178,537	63,740

NORTHERN TERRITORY				
NORTHERN TERRITORY	Major Works			
DARWIN	Joint Army Deployment Facility Development Stage 1	198,288	194,530	2,020
	Joint Army Deployment Facility Development Stage 2	268,300	115,233	65,500
	North Australia Naval Infrastructure Stage 1	7,700	100	500
	Post-Force Structure Review Development	59,458	8,598	20,072
	Bradshaw Station Infrastructure Works	54,000	600	10,000
	Redevelopment of RAAF Base *	15,200	0	5,500
RAAF TINDAL	Major Works			
	Base Development Stage 4	31,377	16,584	14,078
DARWIN	Medium Works			
	Construct Airmen's Recreation Facility	3,913	3,565	31
	Construct Facilities for 114 Mobile Control and Reporting Unit	5,299	0	700
	Provision of Hydrant Refuelling system *	5,615	0	2,541
	Upgrade of Electrical Reticulation within Married Quarter Precinct *	3,600	0	3,000
HARTS RANGE	Upgrade Power Station *	3,500	0	2,500

STATE, FEDERAL ELECTORATE AND LOCALITY	PROGRAM OF WORKS	Total Estimated Cost \$'000	Estimated Expenditure to 30/6/98 \$'000	Budget Estimate 1998-99 \$'000
MT. BUNDEY	Infrastructure Works	5,700	5,486	270
RAAF TINDAL	Construct Avionics/Oxygen Workshop and Extend Technical Support Surface Finishing Facilities	5,276	3,224	2,900
	Construction of Child Care Centre	1,500	550	950
	Construct Temporary Facilities for 114 Mobile Control and Reporting Unit	2,000	1,456	100
SHOAL BAY	Project DEF 333	4,400	1,231	2,391
TOTAL NORTHERN TERRITORY		675,126	351,157	133,053

ACT				
CANBERRA	Major Works			
RUSSELL	Redevelopment of Office Facilities	225,189	137,992	65,000
	Medium Works			
DUNTROON	Construction of Magazine *	500	0	500
FRASER	Medium Works			
HMAS CRESWELL	Construct Royal Australian Navy Ship's Safety and Survival School	2,006	1,400	1,041
	Redevelopment of Waterfront *	5,896	0	4,000
JERVIS BAY	Remediation of Mary Creek *	1,100	0	1,100
TOTAL ACT		234,691	139,392	71,641

OTHER	Medium Works			
VARIOUS LOCATIONS	Upgrade Roads to Jindalee Operational Radar Network Sites	1699	1606	93
	Works Associated with Ninox Phase 1B	4,650	131	4,000
	Works associated with Air Traffic Control Radars	3,150	3,139	11
	Project Raven	1,587	828	759
	Auto Gauging Naval Fuel Tank Capacities	825	786	39
	Regional Training and Mobilisation Facilities *	5,651	0	1,000
Total Other		17,562	6,490	5,902

STATE, FEDERAL ELECTORATE AND LOCALITY	PROGRAM OF WORKS	Total Estimated Cost \$'000	Estimated Expenditure to 30/6/98 \$'000	Budget Estimate 1998-99 \$'000
	TOTAL NEW BUILDINGS AND WORKS	2,333,001	1,121,726	481,205
	ACQUISITIONS			6,032
	PROPERTY MANAGEMENT, PRELIMINARY DESIGN AND OTHER FEES FOR SERVICE			16,537
	ESTIMATED EXPENDITURE SLIPPAGE			-45,673
	TOTAL CAPITAL FACILITIES EXPENDITURE			458,101

GLOSSARY

Appropriation: is an authorisation by Parliament to spend moneys from the Consolidated Revenue Fund.

Accrual accounting: recognises the change in value of assets, liabilities, income and expenditure at the time that transactions and/or events occur, not at the time cash is paid or received, as is the case in cash accounting.

Bilateral exercise: a military exercise involving the forces of two countries.

Combined exercise: an exercise/activity involving one or more Services of the Australian Defence Force with the forces of other countries.

Force structure: refers to the size, organisation and technical and operational characteristics of the existing force.

Interoperability: the ability of systems, units or forces to provide the services to and accept services from other systems, units or forces and to use the services so exchanged to enable them to operate effectively together.

Joint exercise: an exercise/activity involving two or more Services of the ADF.

Military capability: is the combination of force structure and preparedness through which combat power is exercised.

Multilateral exercise: a military exercise involving the forces of three or more countries.

Preparedness: denotes the ability of forces to undertake operations in a timely manner and sustain activity involved in those operations. It is used to describe the combined outcome of readiness and sustainability.

Program: is an identifiable group of outlays administered by portfolios. The program structure provides a basis for resource management decisions centred on objectives and results. Defence Programs are subdivided into sub-programs, components, sub-components and elements.

Readiness: is the ability of designated forces to be committed to conduct specified operational roles and tasks within a nominated time at specific strengths and capabilities. The readiness component of preparedness can be defined in terms of equipment, personnel and collective training.

Resource attributions: see *User Guide*.

Running costs: are the full recurrent and minor capital costs consumed by an agency. Included are; salaries and related employment costs, superannuation, administrative items, minor capital items, property operating expenses and consultancy services.

Sustainability: is the ability to support forces on operations for specific periods.

Theatre: is the area in which military operations/activities take place.

LIST OF ACRONYMS

ADF	Australian Defence Force
ADFA.....	Australian Defence Force Academy
AFS	Average Funded Strength
ALG	Air Lift Group
APS	Australian Public Service
ARA.....	Australian Regular Army
ASEAN	Association of South East Asian Nations
ASLAV	Australian Light Armoured Vehicle
ASTA.....	AeroSpace Technologies Australia
ATSIC.....	Aboriginal and Torres Strait Islander Commission
AUSMIN.....	Australia/United States Ministerial Talks
C ³ I.....	Command, Control, Communications and Intelligence
CDF.....	Chief of the Defence Force
COMAST.....	Commander Australian Theatre
CSP	Commercial Support Program
DEETYA.....	Department of Education, Employment, Training and Youth Affairs
DFRDB	Defence Force Retirement and Death Benefits
DHA.....	Defence Housing Authority
DoFA	Department of Finance and Administration
DRP	Defence Reform Program
DSTO.....	Defence Science and Technology Organisation
EEO	Equal Employment Opportunity
FEG.....	Force Element Group
FPDA.....	Five Power Defence Arrangements
FYDP.....	Five Year Defence Program
HMAS	Her Majesty's Australian Ship
HQAST	Headquarters Australian Theatre
HQNORCOM.....	Headquarters Northern Command
JORN	Jindalee Operational Radar Network
MPG.....	Maritime Patrol Group
MSA(L).....	Minesweeper Auxiliary (Large)
MSA(S).....	Minesweeper Auxiliary (Small)
MSBS.....	Military Superannuation and Benefits Scheme
NORCOM	Northern Command
NUSHIP	Ship yet to be commissioned.
NZ.....	New Zealand
NZDF.....	New Zealand Defence Force
OH&S	Occupational Health and Safety
PAES.....	Portfolio Additional Estimates Statements

PBS	Portfolio Budget Statements
PMKEYS.....	Personnel Management Key Solution
PNG.....	Papua New Guinea
PNGDF.....	Papua New Guinea Defence Force
PPB	Pacific Patrol Boat
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
RNZAF.....	Royal New Zealand Air Force
RNZN.....	Royal New Zealand Navy
RSAF.....	Republic of Singapore Air Force
RSN.....	Republic of Singapore Navy
SAS	Special Air Services
SRG.....	Strike Reconnaissance Group
TFG	Tactical Fighter Group
UK.....	United Kingdom
UN.....	United Nations
UNSW	University of New South Wales
US	United States
USAF.....	United States Air Force
USN.....	United States Navy