

DEFENCE SIGNALS DIRECTORATE

45

MINUTE PAPER

REFERENCE: 2/10/19
2/2/21
2/3/15

2. ADD
1. SMZ *Mh/15/11*
through ADA *D 13/11*

PROJECT MARIK - FINANCIAL REVIEW - 1 NOVEMBER 1985

This minute advises that as at 1 November 1985 additional project approval of about \$2.0m is required to cover the exchange rate fluctuations to that date.

2. Attached is a financial summary and project costing review (Annex A)

3. At present the December Review exchange rate US0.698⁺ has again lost value against the Australian Dollar with the prospect of an even lower rate to come.

4. The lower rate could reach as low as US\$ 0.60¢ = A\$1. This would involve an additional \$0.5m for the remainder of the contract.

5. It is recommended that you seek

a. project approval for an additional \$2.5m based on the addition \$2.0m and an exchange rate contingency of \$0.5m; and

b. expenditure approval for \$2.0m to cover expenditure as at December Review exchange rate of US 0.698¢.



J.C.T. White
AF

13 November 1985

ANNEX A
 To DSD Minute 2/10/19
 to (2/2/21) (2/3/15)
 dated 13 November 1985

Project MARSIK
Summary of Financial Status

1 November 1985

	Project Approval	Revised Costs	Variation
	\$A	\$A	\$A
	<hr/>	<hr/>	<hr/>
1. Computer Equip- ments etc, * as at 11 Feb '85	11,497,000	13,463,815	+1,966,815
2. Facilities			
- New Works	1,900,000	1,900,000	-
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✓	13,397,000	15,363,815	+1,966,815
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ANNEX A
 To DSD Minute 2/10/19
 to (2/2/21) (2/3/15)
 dated 13 November 1985

Project MARSIKBudget Year Equipment Programme1985/86OBLIGATION

Component	OSO 1/7/85 \$A	New Oblig. \$A	Total Oblig. \$A	Expenditure			OSO 30/7/85 \$A
				Against OSO \$A	Against New Oblig. \$A	TOTAL Expend. \$A	
CRAY Contract	8.213	1.909	10.122	5.890	-	5.890	4.232
FMS Case GIY	.242	.039	.281	.242	.039	.281	-
IBM Interface	.013	-	.013	.013	-	.013	-
North Star Printer	-	.004	.004 [?] + .00544	-	.004	.004	-
Engineering H/W for terminals - SE	-	.004	.004	-	.004	.004	-
Engineering H/W for installation - AP	-	.010	.010	-	.010	.010	-
	8.468	1.966	10.434	6.145	.057	6.202	4.232

ANNEX A
 To DSD Minute 2/10/19
 to (2/2/21) (2/3/15)
 dated 13 November 1985

Project MARSIK1 November 1985

	EXPENDITURE SPREAD			PROJECT
	1984/85	1985/86	1986/87	TOTAL
	\$A	\$A	\$A	\$A
CRAY Equipment (File No 8.5.48)	3,000,000	5,890,000	4,232,141	13,122,141
RAY THEON Terminals (FMS Case GIY-OA1-18560.7) File No 8.5.57 (Oblig. 84/5-\$266K)	24,195	280,860		305,055
North Star - Computer (8.5.65)	5,444			5,444
Printer		4,000		4,000
IBM Interface (2 channel Switch) Order No 8450889 Oblig 84/5 File No 8.5.66		13,556		13,566
Engineering Hardware for Terminals - SE		3,619		3,619
Engineering Hardware for installations - AP		10,000		10,000
 TOTAL EQUIPMENT COST	 3,029,639	 6,202,035	 4,232,141	 13,463,815

ANNEX A
To DSD Minute 2/10/19
to (2/2/21) (2/3/15)
dated 13 November 1985

Project MARSIK

Financial - Progress Report - 1 November 1985

	<u>US\$</u>	<u>AUST\$</u>
A. <u>CRAY Contracts</u> Purchase Price (\$A1 = US\$.8278)	9,282,437	11,213,381
less <u>payments to date</u>		
24 MAY 85 US\$68 = \$A	2,043,000	3,000,000
1 AUG 85 US\$723 = \$A	4,262,004	5,890,000
TOTAL PAYMENT TO 1 NOV 85	6,305,004	8,890,000
Balance	2,977,433	2,323,381

Average \$A1 = 0.7092

Less

Interest (amendment 1) US\$2.043m
24 MAY 85 to 1 AUG 85 (69 days)
@ 8.25% amounts to:

31,863

Converted using 1 NOV 85 exchange
rate A\$1 = US\$.6960

2,945,570

4,232,141

ADDITIONAL OBLIGATION
@ 1 NOV 85 Exchange Rate

1,908,760

B. RAYTHEON TERMINALS

	<u>US\$</u>	<u>AUST\$</u>
OA1 18560.7 (\$A1 = \$US)	209,094	255,000
AL1 to OA1 (Exchange Rate Variation)		11,000
(FMS GIY) (owe \$A1 = US\$.7860)	209,094	266,000
Less payments		
1. initial (\$A1 = \$US.8390)	20,300	24,195
2. September 1985 (A\$ = \$US.6722)	188,794	280,860
(Ave Exch. \$A1 = \$US.6854)	209,094	305,055

ADDITIONAL OBLIGATION @ 1 NOVEMBER 1985

39,055