
THE
ROYAL AUSTRALIAN AIR FORCE
WELFARE TRUST FUND
ANNUAL REPORT 2017 - 2018

The Services Trust Funds Act 1947

THE
ROYAL AUSTRALIAN AIR FORCE
WELFARE TRUST FUND

Annual Report

For the period

1 July 2017 to 30 June 2018

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TRUSTEES

OF THE

ROYAL AUSTRALIAN AIR FORCE

WELFARE TRUST FUND

Principal Air Chaplain **M. WILLIS** (Chair of Trustees)

*

Air Vice-Marshal **C.J. ROBERTS AM, CSC**

*

Principal Air Chaplain **R.D. THOMPSON**

*

Group Captain **C. WALLIS** (Deputy Chair)

*

Group Captain **G. VAN LEEUWEN CSM**

*

Squadron Leader **A. FRANK**

*

Squadron Leader **C. MILTON**

*

Warrant Officer – Air Force **R. SWANWICK**

Secretary to the Trustees: **Mr K. PEPPER**
Assistant Secretary: **Mrs D.L. PERRY**

ROYAL AUSTRALIAN AIR FORCE WELFARE TRUST FUND

SEVENTIETH ANNUAL REPORT

REPORT OF OPERATIONS

Minister for Defence Personnel

Dear Minister

This report of operations by the Trustees of the Royal Australian Air Force Welfare Trust Fund (RWTF) is for the year ended 30 June 2018. The report is accompanied by the Financial Statements for the period and other information which are to be read as part of this report.

Index of Annual Report Requirements

Requirement	Page Number(s)
Enabling legislation	4
Responsible Minister	4
Ministerial directions and other statutory requirements	4
Outline of organisational structure and statement on governance	4-6
Information about directors	7-13
Indemnities and insurance premiums for officers	13
Audit Report	19-20
Statement by Trustees	21
Statement of comprehensive income	22
Statement of financial position	23
Statement of changes in equity	24
Cash flow statement	25
Notes to financial statements	26-35
Annual Performance Statement	36-37

Enabling Legislation

The RWTF was established by the *Services Trust Funds Act 1947* (the Act). The Act provides that the Trustees shall, subject to and in accordance with the regulations, apply the Fund in providing benefits for members of the Defence Forces who have served in, or in association with, the Royal Australian Air Force and to the dependants of such members.

Responsible Minister

The RWTF operates within the Defence portfolio, reporting to the Minister for Defence Personnel (the Minister), the Hon Darren Chester MP, at the date of this report.

During the period under review, the RWTF also reported to the Hon Dan Tehan MP and the Hon Michael McCormack MP.

Ministerial Directions and Other Statutory Requirements

There were no Ministerial directions issued to the RWTF during the period under review.

RWTF is subject to the following general policies:

The following policies were notified to RWTF by the responsible Minister prior to the commencement of the financial year and remain in force:

- National Code of Practice for the Construction Industry;
- Foreign Exchange Risk Management Policy;
- RWTF has complied with the above-mentioned general policies of the Australian Government.

Public Governance, Performance and Accountability Act 2013

The RWTF also complies with the requirements of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* with respect to:

- Reporting to Ministers and Parliament;
- Contents of Annual Report;
- Audit of the RWTF's financial statements by the Auditor-General;
- Banking and investment powers of authorities;
- General policies of the Australian Government; and
- Conduct of directors and officers, including the civil consequences of any breach of their duties by the directors and officers.

Statutory Powers of Direction

The Minister may, by instrument in writing published in the Gazette, authorise the Trustees to administer other property. This authority was not exercised during the year.

Organisational Structure

The RWTF is a corporate Commonwealth entity and is managed by a Board of Trustees who are appointed by the Minister. The RWTF head office is located in Canberra, ACT and a network of regional agents, generally located at each RAAF Base, is used to facilitate the provision of benefits to eligible persons on a nation-wide basis. Assistance to RAAF personnel based overseas is also available.

Review of Operations and Future Prospects

Operations were in accordance with the RWTF's statutory objects and comprised of the provision of benefits to serving and ex-serving members of the RAAF and their dependants. There were no significant changes in the RWTF's state of affairs or principal activities during the financial year.

In the opinion of the Trustees, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the RWTF's operations, the results of those operations, or the RWTF's state of affairs in future financial years.

Reviews by Outside Bodies

RWTF Annual Reports are subject to review by the Senate Foreign Affairs, Defence and Trade Legislation Committee. The Committee has not provided any adverse comment in relation to the RWTF's annual reports.

The RWTF financial statements are subject to audit by the Australian National Audit Office. The audit report is detailed at pages 19 and 20.

Board Committees

Audit Committee

The RWTF has established an audit committee in accordance with the PGPA Act. The committee is comprised of three members.

The primary objectives of the Audit Committee are:

- improving the effectiveness and efficiency of RWTF's internal control framework;
- ensuring that RWTF has appropriate risk identification and management practices in place;
- improving the objectivity and reliability of financial reporting;
- ensuring that RWTF has adequate procedures on matters of audit independence; and
- assisting the Board to comply with all governance and other obligations.

The Committee is comprised of the following persons:

- Squadron Leader A. Frank - Trustee and Chair of the Audit Committee;

- Squadron Leader C. Milton - Trustee
- Squadron Leader P. Alomes – Secretary RAAF Welfare Recreational Company

The Audit Committee is not required to hold formal meetings; however the charter of the Committee sets out the conduct and reporting requirements for internal reviews of various aspects of Fund management and operations. The charter of the Audit Committee was reviewed and updated in November 2017 in order to ensure that the committee was better able to meet its primary objectives.

Risk Management and Fraud Control

The Trustees have established a risk management and fraud control plan in line with the Commonwealth's endeavours to make risk management an integral part of everyday business practice. The RWTF, as a corporate Commonwealth entity, is not required to comply with the *Commonwealth Risk Management Policy* and components of the *Commonwealth Fraud Control Framework 2014*. However, the Trustees have adopted this policy as best practice standards for fraud control and have implemented fraud control arrangements commensurate with the RWTF's activities. The RWTF participated in Comcover's (the Commonwealth's insurable risk managed fund) 2016 Risk Management Benchmarking Programme. The RWTF Risk Management and Fraud Control Plan was reviewed and updated in May 2018.

Work Health and Safety

Health and Safety Management Arrangements (HSMAs) have been developed in consultation with employees of the RWTF. The HSMAs take into consideration the unique arrangements whereby the RWTF is accommodated within a secure Defence facility and is subject to Defence accommodation standards and work health and safety arrangements. There were no notifiable incidents during the period under review nor were there any investigations conducted by Comcare with the RWTF.

Protective Security

The Trustees consider that an appropriate protective security environment is fundamental to good business and management practice. Accordingly, the Trustees have developed and implemented a security plan that is appropriate to the RWTF's functions and the security risks it faces. The RWTF's protective security plan was reviewed and updated in August 2017.

Commonwealth Disability Strategy

Given the RWTF's size and activities, the Trustees consider that the current organisational and operating procedures meet the requirements of the Commonwealth Disability Strategy.

Paid Parental Leave

In compliance with Government policy, the RWTF has registered with Centrelink as an employer in respect to the Government's Paid Parental Leave scheme. This registration covers RWTF employees.

RWTF Board of Trustees

All members of the Board are appointed by the Minister. The Board comprises serving members of the RAAF whose appointments within the RAAF, in the main, relate to personnel and welfare issues. Additionally, the Board comprises:

- a Chair appointed by the responsible Minister; and
- a Deputy Chair appointed by the Board.

During 2017-2018 the RWTF Board met four times. These meetings were held in Canberra.

Board Member's Attendance at Meetings

Name	Special Responsibilities	Number of Possible Attendances	Number Actually Attended
M. Willis	Chair of Trustees	2	2
K. Russell	Chair of Trustees	2	2
C.J. Roberts		4	1
R.D. Thompson		4	3
C. Wallis	Deputy Chair	4	3
G. van Leeuwen		4	2
A.M. Frank	Chair of Audit Committee	4	3
C. Milton	Audit Committee	4	3
R. Swanwick		4	1

Board members

Principal Air Chaplain Mark Willis

Principal Air Chaplain Mark Willis was appointed to the RWTF board as Chair of the Board on 6 February 2018. Mark Willis was born in January 1958 in Lismore, Northern NSW and attended ten different schools across Australia before completing his schooling at Beenleigh High School, Queensland in 1975. He became competent in wheat and sheep farming, truck driving, fruit picking, bank telling, sheet metal production (assembly and purchasing) and youth work.

In 1979 Chaplain Willis travelled to the United States to begin his Theological Training with Churches of Christ and completed that training at Kenmore Christian College, Brisbane in November 1987, graduating with a Diploma in Ministerial Studies.

Chaplain Willis has been involved in church/youth work since 1975, leading small groups, organising activities, leading services, preaching and organising large evangelistic events. Mark was awarded most effective communicator at the inaugural preacher-boy competition within NSW in 1980. His first church appointment was in Brisbane in 1987, where he became the Minister of the Church of Christ, Sunnybank.

In April 1991, Mark was commissioned as an Army Reserve Chaplain and began Chaplaincy with an appointment as the Unit Chaplain to 2nd/14th Light Horse Regiment (Queensland Mounted Infantry) and then to No. 6 Royal Australian Regiment (6RAR). Whilst posted to 2/14 LHR Mark won the Prince of Wales Award.

In October 1996 Chaplain Willis resigned his commission with the Army to be appointed to the Permanent Air Force as Chaplain, and following Initial Officer Course was posted to RAAF Base Williamtown.

Postings saw Chaplain Willis take his family to East Sale; Tindal; 1 Recruit Training Unit, Edinburgh; Butterworth in Malaysia; Williamtown; Williams; Canberra; Glenbrook as Director Chaplaincy – Air Command, and to the Command Chaplain position within Joint Health Command located in Canberra.

Between 2003 and 2016, Chaplain Willis deployed to the Middle East Area of Operations (MEAO) on Operation Catalyst; Phuket, Thailand for Operation Tsunami Assist; Kandahar, Afghanistan on Operation Slipper; to Operation Pakistan Assist II; MEAO on Operation Slipper as the Senior Theatre Chaplain; and on Operation Okra in support of the Air Task Group.

In December 2017 CHAP Willis was advanced to Principal Air Chaplain and appointed Director General Chaplaincy – Air Force (DGCHAP-AF).

He and his wife Lisa have three children, two in-laws—a son & a daughter—and four grand-daughters. His sporting and leisure interests include squash, chess, travel, 500, reading, and Sudoku.

Despite all of the above, Chaplain Willis has many failings, but above all, he is a walking, talking, living, breathing testament to the grace of the God who loves him, constantly forgives him, and continually uses him to be a blessing to others.

Principal Air Chaplain Kevin Russell

Principal Air Chaplain Russell was appointed to the RWTF board as Chair of Trustees on 22 January 2013. He was born in Nottingham, England in 1957 and migrated with his parents to Sydney in 1964. He was educated in French's Forest, Sydney.

In 1982 he commenced studies towards becoming a minister in the Anglican Church. His first Church appointment was as assistant minister at Richmond, NSW, in 1986. During this time he became interested in ministry within the military context.

Chaplain Russell joined the Air Force towards the end of 1987 and has served as Anglican Chaplain at RAAF Edinburgh, Pearce, Richmond, East Sale and Williamtown. While at Williamtown, he spent some time in East Timor. Between 2003 and 2007, Chaplain Russell served as Director Chaplaincy - Training Command and later Air Force Training Group. During this time, he completed his Master of Ministry and published a book entitled *Pastoral Support for Military Chaplains*. While Chaplain Russell was in this position, considerable change occurred within the career structure of military chaplains and, for the first time, specific ministry training was introduced on an ADF wide basis for military chaplains. Chaplain Russell was in the position to influence the development of this training from an Air Force perspective.

In 2008, Chaplain Russell was appointed to the role of Director Chaplaincy – Air Command. He also took on the additional role of Anglican Head of Denomination. He was collated Archdeacon on 6 April 2008 and, as such, leads and represents the Anglican component of Air Force Chaplaincy.

As Director Chaplaincy - Air Command, he was responsible for the day to day support of Base chaplains, particularly preparing them for operational deployment, advising Director-General Chaplaincy Services - Air Force and the Principal Chaplains Committee - Air Force on chaplaincy needs from both a raise, train and sustain perspective and Headquarters Joint Operational Command deployment perspective. Chaplain Russell is also Archdeacon to the Air Force and the Anglican Head of Denomination for Air Force. As such, he is the advisor to the military Anglican Bishop on Air Force pastoral matters. He was posted to the appointment of Director General Chaplaincy Services – Air Force on promotion to the rank of Air Commodore in January 2013.

Chaplain Russell resigned his position as both Chair and Trustee of the RWTF on 15 December 2017 prior to his retirement from the Permanent Air Force on 28 Feb 2018.

Air Vice-Marshal Catherine Roberts AM, CSC

Air Vice-Marshal Roberts joined the Air Force in 1983 to study Aerospace Engineering. She graduated from No 28 Course Engineering Cadet Squadron in 1986.

Air Vice-Marshal Roberts completed her first posting as a maintenance engineering officer supporting flight test on CT4, PC-9, DC-3, Iroquois, Squirrel, Blackhawks, Mirage, Macchi, and F111s at the Aircraft Research and Development unit. She was posted to HQSC as a logistics engineer during the introduction of the F/A-18 Classic Hornet, and was responsible for a technical program to recover the Macchi MB326 aircraft post a wing failure in flight. Air Vice-Marshal Roberts was then posted as flight line and maintenance manager on F/A-18 Hornet aircraft at No 77 and No 481 Squadrons. After establishing the F404 Engine Recovery program, Air Vice-Marshal Roberts posted to the UK for the Hawk Lead In Fighter project, and remained there until introduction of the Hawk into RAAF service in 2000. After completing a Masters of Management at the Joint Command and Staff Course in 2001, she was posted to the Airworthiness Coordination and Policy Agency. In this role Air Vice-Marshal Roberts received a Conspicuous Service Cross for her work in ADF airworthiness oversight of introduction of major aviation capabilities, establishing ADF operational airworthiness regulations and developing new airworthiness frameworks for charter and unmanned aircraft.

In 2005 Air Vice-Marshal Roberts was posted as the Assistant Air Force Adviser in London managing RAAF members embedded in UK operations in Iraq and Bosnia and facilitating exchange of information with UK military, European military and commercial organizations. From 2007 until 2010 Air Vice-Marshal Roberts commanded the Systems Program Offices for F/A-18 Hornet and then for B300 and PC9. She was the lead negotiator for major sustainment contracts and was responsible for the rapid introduction of the 38SQN B300 Interim Light Transport aircraft. In 2011 she completed the Royal College of Defence Studies course in London studying International Policy and Strategy. On return to Australia, Air Vice-Marshal Roberts was posted to Director Enabling Capability where she was responsible for Combat Support, Air Force Minors, Health, Security, development of DCP Program management and capability realisation policies. Air Vice-Marshal Roberts then took over as Program Manager for the F-35 Lightning achieving Government program approval in April 2014 and introduction of the first two Australian aircraft into service in Dec 2014. Currently Air Vice-Marshal Roberts is responsible for materiel acquisition and sustainment of Growler, Super Hornet, Classic Hornet and Hawk Lead-in Fighter.

Air Vice-Marshal Roberts was appointed to the RWTF Board on 25 June 2015 and resigned her position on 30 June 2018.

Air Vice-Marshal Roberts was made a Member of the Order of Australia (AM) in the 2016 Queen's Birthday Honours List.

Principal Air Chaplain Royce Thompson

Th. L. (Ridley College, Melb Uni), Grad Dip Ed (SA Uni), Cert Computer Business App (EGCC of TAFE), Cert 4 in Training and Assessment (East Vic Workforce RTO), Grad Dip Adv Chap Cse (US Navy, NETC, RI, USA), MA (Hum Devel spec Org & Mgt) (Salve Regina College, Newport, RI USA), DMin (Fuller Theological Seminary, Pasadena CA, USA).

Principal Air Chaplain Thompson was appointed to the RWTF Board on 14 May 2000. He served as Deputy Chairman of the Board from 8 September 2000 to 10 January 2002 and then as Chairman of the Board until 15 October 2008.

He studied Theology from 1972 to 1974 at Ridley College, Melbourne University. Ordained Deacon in 1975 and Priest in 1976 he was appointed Assistant Curate at St John's Bentleigh. In 1977 he was appointed Bush Church Aid Missioner to the 100,000 sq mile Parish of Kununurra - Wyndham in North West Australia. In 1978 he graduated from the Missionary Aviation Fellowship Flying School in Ballarat returning to NW Aust. as a Flying Padre. In 1982 he was commissioned, as a Chaplain, in the Australian Regular Army and assigned to 6 Battalion, Airborne Infantry, in Qld. He transferred to the RAAF in 1986. In 1988, he was posted to the US Navy Chaplains School, at the US Navy War College, in Newport RI USA. He graduated from the Advanced Chaplains Course Class of 1989 and completed a Master's Degree at Salve Regina University. He was promoted to Chaplain (Wing Commander) in 1994 and Chaplain (Air Commodore) in 1996 when he assumed the post of Command Chaplain for Logistic and Training Commands. In 1996 the Anglican Primate appointed him as Archdeacon to the Air Force. From 1997 until 2002 he was the Director General Chaplaincy Services Air Force in Canberra with responsibility for the RAAF Chaplaincy program and the management of the full time and part time Anglican, Roman Catholic and Protestant Clergy. In 2002 he was awarded a Doctor of Ministry from Fuller Theological Seminary, Pasadena, California. In 2004 he retired from the Permanent Air Force and moved to the RAAF Specialist Reserve. Since leaving full time Defence ministry he has done a number of 'Intentional Interregnum Ministries.' He has served as Acting Dean of Goulburn, Locum at Christ Church Queanbeyan, Acting Dean of Hobart in the Diocese of Tasmania and Acting Rector of St John's Canberra. Beyond Defence he has an interest in Rural and Remote ministry serving on the Federal Executive of Bush Church Aid (BCA) and Chair of their NSW /ACT Regional Committee. From early 2007 he has been appointed by BCA to work with the Archbishop of Sydney and the Provincial Bishops of NSW on a Strategy for the support of the Church affected by Climate Change in the Province of NSW. He now works for BCA seeking to develop their 'Open Gate' Program. In 2003 he was invited to become the inaugural honorary Chaplain to the Australian Bravery Association. In 2005 he was appointed as an Academic Associate of Charles Sturt University working as an Associate Lecturer at St Mark's National Theological Centre in Pastoral Theology, Introduction

to Christian Ministry. He is currently serving on the Boards of The Bush Church Society Aid, Dunorkney Nominees Pty Ltd and Thompson Pastoral Care Pty Ltd.

Group Captain Catherine Wallis

Group Captain Wallis was appointed to the RWTF Board on 15 June 2013 and is the Deputy Chair.

Group Captain Wallis joined the Air Force in 1997, and has served as a Legal Officer at RAAF Tindal, NT; RAAF Amberley, QLD and in the Headquarters in Canberra. She has also worked with the United States Air Force in the Directorate of Operations and International Law at the Pentagon, Washington DC. From 2012-2013 she was the legal adviser to the Chief of Air Force and Deputy Chief of Air Force.

In 2006 Group Captain Wallis was awarded a Commendation in recognition of her service as Counsel Assisting the Sea King Board of Inquiry into the deaths of nine Australian Defence Force personnel killed in a helicopter accident while providing humanitarian assistance in Indonesia.

Group Captain Wallis has deployed twice on operations. In 2004 she was the legal advisor to the Air Component on Operation Catalyst (Iraq), and in 2013 she provided legal specialist advice to a number of inquiries into incidents in Afghanistan as well as conducting an audit of Australian detainee operations.

Group Captain Wallis is currently serving in the appointment of Commandant RAAF College.

Group Captain Wallis holds a Bachelor of Arts, Bachelor of Laws (Honours 1st class), Master of Laws, Master of International Security Studies and a Graduate Diploma in Military Law.

Group Captain Gerald van Leeuwen CSM

Group Captain van Leeuwen was appointed to the RWTF Board with effect from 1 April 2017.

Group Captain van Leeuwen joined the Air Force in January 1989, commencing studies at the Australian Defence Force Academy (ADFA). Following graduation from ADFA, he completed his Bachelor of Aerospace Engineering degree at the Royal Melbourne Institute of Technology (RMIT) and proceeded on his first posting to the Air Movements Training and Development Unit (AMTDU) at RAAF Base Richmond as a Project Engineer. As a junior officer, he also held a follow on position at AMTDU as the Senior Engineering Officer before moving to Melbourne and assuming an Airworthiness Regulator position within the Directorate General Technical Airworthiness (DGTA).

He was posted back to Richmond in 1999 and promoted the rank of Squadron Leader in 2000. While at Richmond he held the positions as Chief Engineer and Officer-In-Charge Airworthiness Flight AMTDU until 2002. During that time, he operationally deployed to East Timor on three occasions in support of aircraft recoveries and uncleared load operations. His efforts leading C-130J aerial delivery certification activities during the aircraft's introduction to service were recognised with the award of a Conspicuous Service Medal (CSM) in 2002.

In June 2002, following selection for flight test training, Group Captain van Leeuwen attended the National Test Pilot School (NTPS) in Mojave, California. He graduated as a 'Distinguished Graduate' and was awarded a Master's degree in Flight Test & Evaluation. Three subsequent postings to the Aircraft Research and Development Unit (ARDU) followed; in positions as a Flight Test Engineer, Deputy Fixed Wing Flight Commander and finally the Senior Flight Test Engineer, responsible for flight test standards and safety. He completed a Master's degree of Engineering, majoring in business/engineering management during this period.

In March 2007, Group Captain van Leeuwen was posted to the Joint Strike Fighter Program Office (JSFPO) as part of the New Air Combat Capability (NACC) within DMO. Initially filling a Cooperative Partner Position (CPP) within the Verification and Test IPT, he was elected part of the F-35 Flight Clearance Team responsible for issuing the Flight Clearances supporting the first flights of all three JSF variants. On promotion to Wing Commander in 2008, he was appointed as an IPT Lead and stood up the F-35 Airworthiness Office within the JSFPO. During that time he authored the first F-35 Air System

Airworthiness Management Strategy and subsequent Airworthiness Management Plan. His contributions to the JSF Program were acknowledged by the US DoD with a Meritorious Service Medal (MSM).

Group Captain van Leeuwen was appointed Commanding Officer of the Aerospace System Engineering Squadron in 2011 and concurrently held delegation as the Design Acceptance Representative (DAR) and Chief Engineer of Development and Test Wing within the Aerospace Operational Support Group (AOSG). In October 2013, he was posted to the position as the AIR5402 KC-30A MRTT Test Director, a role selected by Chief of Air Force (CAF) to remediate well documented issues with the Air-to-Air Refuelling Boom. Following his success on that program, he was cleared for GLIST promotion and posted to the Capability and Technology Management College (CTMC) in 2015, graduating with a Master's degree in Capability Management. He was promoted to the rank of Group Captain in November 2015 and assumed the position of Program Director of the Air Mobility & Tanker Project Office within CASG. In March 2017 he was selected as the inaugural Officer Commanding of the Air Combat System Program Office and assumed command in January 2018.

Group Captain van Leeuwen holds Chartered status as a Professional Engineer and Engineering Executive, is a Fellow of the Institute of Engineers, Australia and a graduate of the Australian Institute of Company Directors Course. He is a Queens Scout, enjoys ball and water sports, has played representational state level & ADF cricket and is a classic car and motorcycle enthusiast. Above all, Group Captain van Leeuwen values time with his wife Kimberley and two sons, Jacob (15) and Samuel (12).

Squadron Leader Allana Frank

Squadron Leader Lieutenant Allana Frank was appointed to the RWTF Board on 1 March 2014.

Squadron Leader Frank enlisted in the Air Force in 1985 as a Clerk Administrative and, since completing initial employment training has had a number of postings including 3 Squadron, Aircraft Research & Development Unit, RAAF Electronic Warfare Operational Support Unit, Defence Recruiting Hobart, No 3 & 6 Hospital, No 82 Wing, Combat Support Group and Air Command.

Squadron Leader Frank has seen operational service in both East Timor and Iraq. She lists her career highlights as being part of No 6 Hospital, the first RAAF Hospital deployed in 2001/2 as the United Nations Military Hospital to East Timor. Another highlight was being deployed to Baghdad in the Force Logistics Element in 2005 and being in country for the first free election. Squadron Leader Frank completed a posting of three years as the Warrant Officer Senior Mustering Adviser for the RAAF Personnel Capability Specialist (Clerks) mustering followed by a posting to Air Force Headquarters — Directorate of Coordination Air Force Visits.

Squadron Leader Frank accepted commissioning into the Personnel Capability Officer Specialisation in January 2014. Squadron Leader Frank has completed postings to Chief of Air Force Events Management and as Personnel Capability Officer - Administration, Joint Operations Command. She was awarded a Deputy Chief Joint Operations Command Silver Commendation for her work as the unit Welfare Officer.

Currently Squadron Leader Frank is posted as Staff Officer to Commander Joint Operations Task Force, Operation Sovereign Borders.

Squadron Leader Claire Milton

Squadron Leader Milton was appointed to the RWTF Board on 1 April 2017.

Squadron Leader Milton joined the Air Force in January 2002, commencing studies at the Australian Defence Force Academy (ADFA). Following graduation from ADFA, she proceeded on her first posting to RAAF Base Edinburgh for a year of Professional Development & Training before moving to Williamtown to take on the role of Aircraft Maintenance Officer at 76 Squadron.

On promotion to Flight Lieutenant in 2009, she took on a team leader role within the Tactical Fighter System Program Office. Responsible for support to all aeromechanical systems on the F/A-18A/B Classic Hornet, she provided technical, logistical and financial expertise for the fleet of 71 aircraft. For her consistently high performance in this role and contribution to significant unit outcomes, she was awarded a Defence Support Services Commendation.

In 2013, she undertook a challenging staff officer role within the Surveillance and Control Group Headquarters, managing the Technical Capability and in-service support elements of P-3C Orion and E-7A Wedgetail aircraft. The following year, she posted to Canberra, taking the opportunity for a System Safety role within the P-8A Poseidon Project Office. During her tenure, she was promoted to Squadron Leader before taking on her current position in charge of aircraft certification activities. In 2015, the P-8A Poseidon successfully passed its first airworthiness board and Squadron Leader Milton was witness to the introduction into service of the first aircraft.

Squadron Leader Milton is a Member of the Institute of Engineers, Australia and values being able to mentor junior officers. She has played representational ADF Australian Rules football, has an Advanced Diploma of Air Force Studies and a Bachelor of Engineering with Honours – University of New South Wales.

Warrant Officer – Air Force Robert Swanwick

Warrant Officer Robert Swanwick joined the Air Force in 1979 as an Airframe Fitter. After postings to the RAAF School of Technical Training, Transport Section RAAF Base Williamtown and 2 Operational Conversion Unit Warrant Officer Swanwick remustered to Helicopter Crewman in 1982.

As a crewman he enjoyed postings at 5 and 9 Squadrons and was deployed on operations with the Australian Multinational Force and Observers, flying missions along the border of Egypt and Israel.

In 1987 Warrant Officer Swanwick was part of the team responsible for introducing the Blackhawk helicopter into service and to transition the RAAF helicopter capability to Army. During this period he was posted as the 2IC Training, 5 Aviation Regiment, RAAF Base Townsville.

Warrant Officer Swanwick was promoted to Warrant Officer in 1991 and since then has served in various aircrew positions, staff roles and a brief stint in the civilian sector working as a barista for his daughter in Canberra. A highlight of this time was when Warrant Officer Swanwick was selected to be the Staff Officer Communications for the Air Force's 75th Anniversary. He also served for 14 years as the Other Ranks Representative Trustee on the MSBS Board.

Warrant Officer Swanwick returned to the Permanent Air Force in 2014 and remustered to Executive Warrant Officer to take up the position of Group Warrant Officer - Surveillance and Response Group at RAAF Base Williamtown. Warrant Officer Swanwick was selected as the 8th Warrant Officer of the Air Force in July 2014 and commenced this role on 1 December 15.

Warrant Officer Swanwick was appointed to the RWTF Board on 16 March 2016.

Freedom of Information Procedures and Initial Contact Points

Requests for access to documents of the Trustees should be directed to the Trustees of the RAAF Welfare Trust Fund, Department of Defence, F4-2-010, PO Box 7933, Canberra, BC ACT, 2610.

Indemnities and Insurance Premiums for Officers

The RWTF has taken out insurance coverage with Comcover for Directors and Officers Liability, Fraud and Fidelity and General Liability. The premium paid for financial year 2017-2018 was \$2,589. Where applicable, the insurance cover is provided for all Trustees, staff and voluntary workers. The RWTF also provided Workers' Compensation insurance cover through Comcare at a cost of \$1,338.

Assistance Provided

Since its inception in 1947, the RWTF has provided assistance totalling in excess of \$276 million to eligible persons.

Bad and Doubtful Debts

The amount written off for the year was \$16,375. The figure includes \$9,280 in loans written off when members died in Service. On a turnover of loans of \$14,588,500 accounts written-off represented 0.11%.

Loans - The following table shows the number of loans approved during the last three years:

	2017-2018	2016-2017	2015-2016
Number of Loans Approved	3,306	3,201	3,390
Total Value of Loans Approved	\$14,588,500	\$13,455,811	\$13,975,700

The following table shows the analysis of loan funds for the year ended 30 June 2018:

LOAN TYPE	AMOUNT \$	% OF TOTAL LOANS
Home Improvement	658,700	4.50
General (Emergency)	43,900	0.30
Professional Development	62,600	0.40
Long Service General	510,700	3.50
Group Life Insurance	13,312,600	91.30
TOTAL	14,588,500	100.00

The following types of loans are available to eligible members:

Home Improvement Loan. Home Improvement Loans are available to help a member build or buy a home or to furnish a home with new or second hand furniture. The maximum value of this loan is currently \$4,000.

General Loan. General Loans are normally available to meet temporary circumstances such as emergency housekeeping expenses, family medical or dental expenses, pressing household bills or fares for travel or compassionate leave. There is no arbitrary limit on the amount of a General Loan.

Professional Development Loan. Professional Development Loans are available to assist members with education and study expenses. The maximum value of this loan is currently \$4,000.

Long Service General Loan. Long Service General Loans are available to members who have completed 10 years of service in the RAAF and may be used for any worthwhile purpose. The maximum value of this loan is currently \$4,000.

Group Life Insurance Scheme Loan. Group Life Insurance Scheme Loans are available to financial members of the Group Life Insurance Scheme and may be used for any worthwhile purpose. The maximum value of this loan was increased in January 2018 from \$4,500 to \$5,000.

The following table shows the breakdown of loans approved by rank. The Trustees were pleased to note that 63.7% of loans approved were directed to the lower paid members of the RAAF (junior ranks up to Corporal).

RANK	NUMBER OF LOANS APPROVED	% OF TOTAL LOANS APPROVED
Aircraftsman(w) / Leading Aircraftsman(w)	1,448	43.80
Corporal	659	19.90
Sergeant	386	11.70
Flight Sergeant	126	3.80
Warrant Officer	68	2.10
Officer Cadet	38	1.10
Pilot / Flying Officer	181	5.50
Flight Lieutenant	260	7.90
Squadron Leader and above	140	4.20
TOTAL	3,306	100.00

RWTF Group Life Insurance Scheme

The Trustees administer the scheme for serving permanent RAAF members. Members of the RAAF Reserve who are serving on continuous full-time service for periods of six-months or more are also eligible to join the scheme for the period of full-time service. The scheme provides, upon the death of a financial member, a lump sum payment to that member's nominated beneficiary, where possible within 48 hours. The Trustees, dependent upon availability of funds, are able to make loans to financial members of the scheme.

In February 2015 the Department of Defence withdrew the facility whereby RAAF personnel could make membership contributions through the Defence payroll system. In order to continue the scheme for the benefit of RAAF personnel, the Fund introduced payment of membership contributions by way of direct debit. Due to the additional costs incurred by the Fund, membership contributions increased from \$26 per annum to \$28 per annum. This increase has been the first since the inception of the scheme in 1989; however the death benefit has increased from an initial benefit of \$5,000 to the present level of \$15,000.

The scheme had 7811 contributors as at 30 June 2018. The transition to payment by direct debit has seen membership numbers decrease, however, in the longer term, it is expected that membership numbers will increase. Current membership of the scheme represents approximately 54% of permanent RAAF members and, in market terms, still represents a very good take up of the scheme by RAAF members. During the period under review the RWTF paid \$90,000 in benefits to the nominated beneficiaries of deceased RAAF members and has one pending payment of \$15,000, awaiting advice from the Estate as to the policy beneficiary.

General Grants

The RWTF provided \$5,576 in support of five individual members of the Air Force. Four grants were in support of additional costs such as transportation borne by the members or their families whilst seeking or undergoing medical treatment. One grant was in house family support for a mental health treatment program.

Three grants of \$1,000 were made to assist RAAF establishments with costs incurred in holding Christmas Treat functions for dependant children. These grants were made outside of the Base Welfare Grants Scheme.

The provisions made in the 2016-17 budget to provide up to \$3,000 for equipment for deployed personnel and up to \$3,000 to assist with a headstone/plaque for a deceased member's child have both been expended during this financial year for the said purposes.

Cyclone Marcus Grants

The RWTF provided \$1,400 in support of five families of Air Force members. The grants were to assist the members' families with restocking food lost during the extended power outages. The RWTF also provided a grant of \$300 to the RAAF Darwin Fishing Club which suffered significant losses.

Base Welfare Grants Scheme

In June 2013 the Board introduced a Base Welfare Grants Scheme. The purpose of the scheme is to provide grants of funds to bases to support the welfare and amenity available to Air Force personnel and their dependants and, incidentally, any other Service or Australian Public Service personnel who may be co-located with the Air Force members.

The scheme is intended to be flexible in terms of the forms of welfare that could be supported, and the amount which the RWTF in its discretion could provide. During 2017-18 \$127,437 was approved for distribution to bases across Australia, a significant increase from \$91,740 provided in 2016-17.

The following table provides a summary of the Base Welfare Grants Scheme distribution of funds.

RAAF Base	Amount \$	Purpose of Grant
Amberley	17,200	Assist Fishing Club with boat and trailer painting and repairs. Assist Water-ski Club with replacement boat batteries and guttering repairs for the hut. Assist social clubs with BBQ area upgrades.
Butterworth Malaysia	4,190	Purchase sporting and family equipment for the RAAF Hostel.
Darwin	8,000	Support the Base Christmas Treat function. Assist with ongoing maintenance of the Fishing Club boat. Purchase large eskies for the Welfare store.
East Sale	6,000	Support the Base Christmas Treat function. Assist with ongoing maintenance of the Fishing Club boat.
Edinburgh	14,380	Foxtel subscription and pool table replacement for the Airmen's' and Other Ranks Mess. Support the Base Christmas Treat function. Support the establishment of an archery club.
Glenbrook	8,887	Family passes to Sydney attractions. Support for outdoor cinema events. Emergency beacons for bushwalking. Equipment for the Officers Mess.
Pearce	2,500	Equipment for Learmonth community centre. Support the Base Christmas Treat function.
Tindal	13,000	Upgrades to the Moonlit Cinema. Support the Base Christmas Treat function.
Townsville	6,330	Support WINGS' guest speaker sessions.
Wagga	10,050	Support the Base Christmas Treat function. Purchase skis and snowboards Assist with Base benefit activities.
Williams	7,000	Support the Base Christmas Treat function. Refurbish the common area pool table.
Williamtown	10,200	Support the establishment of an archery club. Assist with purchase of tool kits for the hobby hut. Assist Flying Club with aircraft refurbishment. Assist Defence Family Group with games and art supplies.
Woomera	3,000	Support movie nights.
TOTAL	\$127,437	

In the 6 years since the inception of the Base Welfare Grants Scheme a total of \$494,922 has been provided to assist bases with welfare related projects.

Air Force Headquarters also used the annual bidding process under the RWTF Base Welfare Grants Scheme to manage and distribute the funds collected for Hamilton Initiatives (funds derived from the bar profits of certain Base bars). Following endorsement by the RWTF Board, DGCHAP-AF approved the distribution of \$40,104 from Hamilton profits for the following projects:

RAAF Base	Amount \$	Purpose of Grant
Amberley	1,100	Assistance for the Amberley Brass Band.
Butterworth	524	Speakers and exercise mats.
Darwin	2,200	Children's bikes and bike racks for cars. Assistance to the Base cinema.
Edinburgh	3,300	Assistance towards purchase of replacement kayaks.
Glenbrook	3,200	Purchase of mountain bikes.
Middle East Area of Operations	6,000	Replacement equipment in Task Group Welfare Tent. Sporting equipment. Gaming console.
Richmond	3,000	Pool BBQ area upgrade.
Tindal	8,000	Outdoor furniture for Base pool area.
Townsville	1,664	Workshop resources for seminars.
Wagga	3,116	New BBQ and assistance to the RANCH Project.
Williams	3,000	Base welcome function.
Williamtown	5,000	Wellness Seminar. 3 sets of 6 aside soccer goals.
TOTAL	\$40,104	

APPRECIATION

The Trustees wish to express appreciation to all persons who assisted the RWTF during the period of this report. The outstanding efforts of Base/Unit Chaplains and other regional representatives have given RAAF members the confidence that the RWTF can provide compassionate, confidential and timely assistance to those in need. Their willingness to take on this secondary duty has enabled the Trustees to keep overheads to the lowest possible. In particular, the Trustees express their sincere appreciation for the services rendered by:

Canberra ACT

Chaplain (AIRCDRE) M. Willis
 Chaplain (AIRCDRE) K. Russell
 Chaplain (AIRCDRE) R. Thompson
 Chaplain (GPCAPT) G. Hooper
 Chaplain (WGDCR) G. Whelband
 Chaplain (SQNLDR) R. Kidd
 Chaplain (SQNLDR) D. Griffiths
 Chaplain (SQNLDR) W Ross
 Chaplain (FLTLT) M. Philp
 SQNLDR P Alomes
 FLTLT J. Tierney
 Mr R. Thomson OAM
 Mr K. Pepper
 Mrs D. Perry
 Mrs A. Ticehurst

Glenbrook NSW

Chaplain (GPCAPT) P. Friend
 Chaplain (WGCDR) I. Whitley

Townsville QLD

Chaplain (FLTLT) D. Kelly
 CPL N. Eagles

Edinburgh SA

Chaplain (SQNLDR) T. Hodgson
 Chaplain (SQNLDR) Y. Juste-Constant
 Chaplain (FLTLT) S. Page
 Chaplain (FLTLT) M. Butler
 Chaplain (FLTLT) K. Thoday
 Chaplain (FLTLT) P. Garton
 Chaplain (FLTLT) P Boyle

Williamtown NSW

Chaplain (WGCDR) A. Williams
 Chaplain (FLTLT) S. Moore
 Chaplain (FLTLT) M Reid
 Chaplain (FLTLT) M. Fraser
 CPL S. McConnell
 LACW N. Maher

Williams VIC

Chaplain (SQNLDR) P. Phillips
 Chaplain (SQNLDR) L. Carey
 Chaplain (SQNLDR) B. Grey
 Chaplain (SQNLDR) P. Owen
 Chaplain (FLTLT) R. Rosinsky
 Chaplain (FLTLT) D. Enticott

Wagga NSW

Chaplain (WGCDR) J. Carroll
 Chaplain (SQNLDR) D. Hilliard
 Chaplain (FLTLT) K. Haynes
 Chaplain (FLTLT) J McWhinney

Darwin NT

Chaplain (FLTLT) R. Weekes

Butterworth Malaysia

Chaplain (SQNLDR) T White

Orchard Hills NSW

Chaplain (FLTLT) R. Bailey

Tamworth NSW

Chaplain (FLTLT) S Carter

Richmond NSW

Chaplain (SQNLDR) J. Cox
 Chaplain (FLTLT) J. Friedman
 Chaplain (FLTLT) R Abboud
 Chaplain (FLTLT) K Ey
 Chaplain (FLTLT) A. Nalbandian
 Mrs C. Craig

Amberley QLD

Chaplain (WGCDR) S. Sarazin
 Chaplain (WGCDR) M. Donaldson
 Chaplain (WGCDR) R. Paget
 Chaplain (SQNLDR) S. Turnbull
 Chaplain (SQNLDR) C. Boettcher
 Chaplain (SQNLDR) A. Robertson
 Chaplain (SQNLDR) R. Hensser
 Chaplain (FLTLT) J. Ward
 Chaplain (FLTLT) M. Boyd
 Chaplain (FLTLT) A. Shumack

Pearce WA

Chaplain (SQNLDR) M. Kleemann

East Sale VIC

Chaplain (SQNLDR) C. Barwise
 Chaplain (FLTLT) A. Knox
 Chaplain (FLTLT) R. Hayman

Tindal NT

Chaplain (SQNLDR) K. O'Sullivan
 Chaplain (FLTLT) T. Killingbeck

CONCLUSION

The Trustees are responsible under the PGPA Act for the preparation and content of the report of operations in accordance with Public Governance Performance and Accountability (Financial Reporting) Rule 2015. This report of operations is made in accordance with a resolution of the Trustees and is signed for and on behalf of the Trustees.



M WILLIS
Principal Air Chaplain
Chair of Trustees

21 August 2018



A FRANK
Squadron Leader
Chair Audit Committee

21 August 2018



INDEPENDENT AUDITOR'S REPORT

To the Minister for Defence Personnel

Opinion

In my opinion, the financial statements of the Royal Australian Air Force Welfare Trust Fund for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirement and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Royal Australian Air Force Welfare Trust Fund as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Royal Australian Air Force Welfare Trust Fund, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Trustees;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Royal Australian Air Force Welfare Trust Fund in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018 but does not include the financial statements and my auditor's report thereon

My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Royal Australian Air Force Welfare Trust Fund the Trustees are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Trustees are also responsible for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Royal Australian Air Force Welfare Trust Fund's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

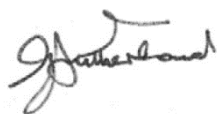
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Garry Sutherland
Audit Principal
Delegate of the Auditor-General
Canberra
21 August 2018

STATEMENT BY TRUSTEES


In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Royal Australian Air Force Welfare Trust Fund will be able to pay its debts as and when they fall due.


This statement is made in accordance with a resolution of the Trustees.



M WILLIS
Principal Air Chaplain
Chair of Trustees
21 August 2018



A FRANK
Squadron Leader
Chair Audit Committee
21 August 2018



K PEPPER
Secretary to the Trustees
21 August 2018

ROYAL AUSTRALIAN AIR FORCE WELFARE TRUST FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	214,518	200,377
Suppliers	1.1B	188,111	195,171
Grants	1.1C	137,622	103,237
Write-down and Impairment of Assets	1.1D	24,612	1,031
Losses from loan re-measurement	1.1E	1,054,618	959,575
Depreciation and Amortisation	1.1F	1,485	1,485
Total expenses		1,620,966	1,460,876
 Own-Source Income			
Own-source revenue			
Sale of Goods and Rendering of Services	1.2A	757,711	838,913
Interest	1.2B	1,064,539	1,051,192
Total own-source revenue		1,822,250	1,890,105
Total own-source income		1,822,250	1,890,105
Surplus		201,284	429,229
Total comprehensive income		201,284	429,229
Total comprehensive income		201,284	429,229

The above statement should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN AIR FORCE WELFARE TRUST FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
ASSETS			
Financial assets			
Cash and Cash Equivalents	2.1A	2,853,717	3,338,453
Loans and Other Receivables	2.1B	8,393,497	7,763,996
Total financial assets		11,247,214	11,102,449
Non-financial assets			
Intangibles	2.2A	1,485	2,970
Total non-financial assets		1,485	2,970
Total assets		11,248,699	11,105,419
LIABILITIES			
Payables			
Other payables	2.3A	(17,295)	(28,851)
Total payables		(17,295)	(28,851)
Provisions			
Employee Provisions	3.1A	(19,965)	(66,413)
Total provisions		(19,965)	(66,413)
Total liabilities		(37,260)	(95,264)
Net assets		11,211,439	11,010,155
EQUITY			
Retained surplus		11,211,439	11,010,155
Total equity		11,211,439	11,010,155

The above statement should be read in conjunction with the accompanying notes.

**ROYAL AUSTRALIAN AIR FORCE WELFARE TRUST FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018**

	Notes	2018	2017
		\$	\$
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period		<u>11,010,155</u>	10,580,926
Adjusted opening balance		<u>11,010,155</u>	<u>10,580,926</u>
Comprehensive income			
Surplus		<u>201,284</u>	429,229
Total comprehensive income		<u>201,284</u>	<u>429,229</u>
Closing balance as at 30 June		<u>11,211,439</u>	<u>11,010,155</u>

The above statement should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN AIR FORCE WELFARE TRUST FUND
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Group Life Claims		105,000	90,000
Loan repayments from members		13,188,995	12,962,099
Interest		1,061,047	1,052,188
Other receipts		2,138	59
Donations		9,266	139,031
Debt collection charges recovered		784	1,063
Member premiums – Group Life Insurance		216,448	214,947
Total cash received		14,583,678	14,459,387
Cash used			
Underwriting - Group Life Insurance		(158,545)	(156,756)
Loans provided to members		(14,379,291)	(13,326,440)
Grants		(143,622)	(97,236)
Audit fees		(14,300)	(14,300)
Insurances		(4,006)	(4,183)
Employees		(261,806)	(218,004)
Group Life claims		(90,000)	(90,000)
Debt collection charges		(293)	(1,144)
Direct Debit Administration Fees		(12,046)	(11,970)
Web-site administration		(1,670)	-
Other payments		(2,835)	(1,352)
Total cash used		(15,068,414)	(13,921,385)
Net cash from (used by) operating activities		(484,736)	538,002
Net increase (decrease) in cash held		(484,736)	538,002
Cash and cash equivalents at the beginning of the reporting period		3,338,453	2,800,451
Cash and cash equivalents at the end of the reporting period	2.1A	2,853,717	3,338,453

The above statement should be read in conjunction with the accompanying notes.

ROYAL AUSTRALIAN AIR FORCE WELFARE TRUST FUND

OVERVIEW

Objective of the Royal Australian Air Force Welfare Trust Fund (RWTF)

The RWTF is a corporate Commonwealth entity. It is a not-for-profit entity. The RWTF was established by the *Services Trust Funds Act 1947*. The Act provides that the Trustees shall, subject to and in accordance with the regulations, apply the Fund in providing benefits for members of the Defence Forces who have served in, or in association with, the Royal Australian Air Force and to the dependants of such members.

The RWTF does not receive nor is it reliant on Government funding.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; and
- b. Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

All other new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the RWTF's financial statements.

Taxation

The RWTF is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). The Australian Taxation Office has advised that the RWTF is a 'financial supply provider', consequently GST is not charged on revenue. The RWTF has no entitlement to input tax credits. Expenses are GST inclusive.

Events after the Reporting Period

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the RWTF.

FINANCIAL PERFORMANCE

This section analyses the financial performance of the RWTF for the year ended 2018.

1.1 Expenses

	2018	2017
	\$	\$
1.1A: Employee Benefits		
Wages and salaries	(167,650)	(175,952)
Superannuation	(33,681)	(18,282)
Leave and other entitlements	(13,187)	(6,143)
Total employee benefits	<u>(214,518)</u>	<u>(200,377)</u>

Accounting Policy

Accounting policies for employee related expenses is contained in the People and relationships section.

1.1B: Suppliers**Goods and services supplied or rendered**

Audit Fees	(8,833)	(19,767)
Insurances	(4,006)	(4,183)
Miscellaneous Expenses	(2,718)	(1,351)
Direct Debit Administration Fees	(12,046)	(11,971)
Group Life Insurance Underwriting	(158,545)	(156,755)
Web-Site Fees	(1,670)	-
Debt Collection Fees	(293)	(1,144)
Total goods and services supplied or rendered	<u>(188,111)</u>	<u>(195,171)</u>
Total suppliers	<u>(188,111)</u>	<u>(195,171)</u>

1.1C: Grants

General and Cyclone Marcus Grants	(10,185)	(11,497)
Base Welfare Grants Scheme	(127,437)	(91,740)
Total grants	<u>(137,622)</u>	<u>(103,237)</u>

1.1D: Write-Down and Impairment of Assets

Impairment of loans	(24,612)	(1,031)
Total write-down and impairment of assets	<u>(24,612)</u>	<u>(1,031)</u>

1.1E: Losses from Loan Re-measurement

Loss from initial recognition of loans and receivables at fair value (refer Note 6.2)	(1,054,618)	(959,575)
Total losses from loan re-measurement	<u>(1,054,618)</u>	<u>(959,575)</u>

1.1F: Depreciation and Amortisation

Amortisation		
Intangibles – Database	(1,485)	(1,485)
Total write-down and impairment of assets	<u>(1,485)</u>	<u>(1,485)</u>

Accounting PolicyCompetitive Neutrality

The RWTF was established to provide benefits to eligible persons and does not carry out Government business activities on a commercial basis nor operate in a competitive, or potentially competitive, environment. Therefore it is not required to make Australian Income Tax Equivalent payments to the Government.

Bad and Doubtful Debts

Bad debts are written off during the year in which they are identified.

1.2 Own-Source Revenue and gains**Own-Source Revenue**

	2018	2017
	\$	\$
1.2A: Sale of Goods and Rendering of Services		
Member contributions on loans	530,828	483,512
Miscellaneous income	267	360
Member contributions for Group Life Insurance	216,448	214,947
Donations received	9,266	139,031
Collection on-costs recovered	902	1,063
Total Sale of Goods and Rendering of Services	757,711	838,913

Accounting Policy

Revenue from the sale of goods is recognised when:

- a. the risks and rewards of ownership have been transferred to the buyer; and
- b. the RWTF retains no managerial involvement nor effective control over the goods.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 days terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed as at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other Types of Revenue

A charge is recovered from loan applicants to help defray administrative expenses and to provide growth in the RWTF. These member contributions are recognised as income in the year the loan is made and form part of the outstanding loan amount.

Revenue from Group Life Insurance premiums are recognised on an accruals basis.

	2018	2017
	\$	\$
1.2B: Interest		
Bank interest	62,946	80,380
Loan interest (refer Note 6.2)	1,001,593	970,812
Total interest	1,064,539	1,051,192

Accounting Policy

Interest revenue is recognised using the effective interest method.

FINANCIAL POSITION

This section analyses the RWTF's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1 Financial Assets

	2018	2017
	\$	\$
2.1A: Cash and Cash Equivalents		
Cash on deposit	553,717	1,138,453
Cash on deposit - investments	2,300,000	2,200,000
Total cash and cash equivalents	2,853,717	3,338,453

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a. Cash on hand;
- b. Demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

	2018	2017
	\$	\$
2.1B: Loans and Other Receivables		
Members loans outstanding (refer Note 6.2)	8,439,217	7,789,972
Bank interest accrued	8,049	4,556
Trade and Other Receivables	-	15,000
Total loans and other receivables (gross)	8,447,266	7,809,528
Less impairment allowance		
Loans	(53,769)	(45,532)
Total loans and other receivables (net)	8,393,497	7,763,996

Accounting Policy***Loans and Receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Reconciliation of the Impairment Allowance**Movements in relation to 2018**

	Loans	Total
	2018	2018
	\$	\$
As at 1 July 2017	45,532	45,532
Bad debts written off	(16,375)	(16,375)
Amounts recovered and reversed	-	-
Increase recognised in surplus	24,612	24,612
Total as at 30 June 2018	53,769	53,769

Movements in relation to 2017

	Loans 2017 \$	Total 2017 \$
As at 1 July 2016	50,863	50,863
Bad debts written off	(6,362)	(6,362)
Amounts recovered and reversed	-	-
Increase recognised in surplus	1,031	1,031
As at 30 June 2017	45,532	45,532

Accounting Policy

Financial assets are assessed for impairment at the end of each reporting period.

2.2: Non-Financial Assets**2.2A: Reconciliation of the Opening and Closing Balances of Intangibles****Reconciliation of the opening and closing balances of intangibles for 2018**

	Computer software Externally developed 2018 \$	Total 2018 \$
As at 1 July 2017		
Gross book value	5,940	5,940
Accumulated amortisation and impairment	(2,970)	(2,970)
Total as at 1 July 2017	2,970	2,970
Amortisation	(1,485)	(1,485)
Total as at 30 June 2018	1,485	1,485
Total as at 30 June 2018 represented by		
Gross book value	5,940	5,940
Accumulated amortisation and impairment	(4,455)	(4,455)
Total as at 30 June 2018	1,485	1,485

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Intangibles

The RWTF's intangibles comprise externally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment costs.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the RWTF's software is 4 years.

All software assets were assessed for indications of impairment as at 30 June 2018.

2.3 Payables

	2018	2017
	\$	\$
2.3A: Other Payables		
Wages and salaries	(1,304)	(2,066)
Superannuation	(241)	(318)
Accrued expenses	(15,750)	(26,467)
Total other payables	(17,295)	(28,851)

PEOPLE AND RELATIONSHIPS

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

3.1 Employee Provisions

Leave	(19,965)	(66,413)
Total employee provisions	(19,965)	(66,413)

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the RWTF's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Superannuation

The RWTF contributes to employee personal superannuation at the rate of 15.4%. Contributions during the period 1 July 2017 to 30 June 2018 are detailed at Note 1.1A. Note 1.1A also includes employee salary sacrifice contributions.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

3.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Fund directly or indirectly, including any Trustee (whether executive or otherwise) of that Fund. The RWTF has determined the key management personnel to be the Trustees.

Under Part 2, Section 11 (1) of the *Services Trusts Funds Act 1947*, Trustees are not entitled to receive from the RWTF any remuneration for any work done by them in relation to the administration of the RWTF. Under Part 2, Section 14 of the *Services Trusts Funds Act 1947*, a person who is a Trustee or a dependant of a Trustee shall not receive benefits from the Fund.

No Trustee has received any remuneration or other benefit during their tenure as a Trustee.

Key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Fund.

The following were Trustees during the period 1 July 2017 to the date of the Report of Operations.

Air Vice-Marshal **C. J. ROBERTS AM, CSC**
(Appointed 25 June 2015)
(Resigned with effect 30 June 2018)

Principal Air Chaplain **K. RUSSELL**
(Appointed 22 January 2013 – appointed Chair of Trustees 22 January 2013)
(Resigned with effect 15 December 2017)

Principal Air Chaplain **M. WILLIS**
(Appointed 6 February 2018 - appointed Chair of Trustees 6 February 2018)

Principal Air Chaplain **R.D. THOMPSON**
(Appointed 24 May 2000)

Group Captain **C. WALLIS**
(Appointed 15 June 2013)

Group Captain **G. VAN LEEUWEN CSM**
(Appointed 1 April 2017)

Squadron Leader **C. MILTON**
(Appointed 1 April 2017)

Squadron Leader **A.M. FRANK**
(Appointed 1 March 2014)

Warrant Officer – Air Force **R. SWANWICK**
(Appointed 16 March 2016)

3.3 Related Party Disclosures

Related party relationships:

The Fund is an Australian Government controlled entity. Related parties to this entity are Trustees, Key Management Personnel including the Executive, and other Australian Government entities.

Transactions with related parties:

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Fund, it has been determined that there are no related party transactions to be separately disclosed.

MANAGING UNCERTAINTIES

This section analyses how the RWTF manages financial risks within its operating environment.

4.1 Contingent Assets and Contingent Liabilities

The RWTF has no contingencies in either the current or the immediately preceding reporting periods therefore a Schedule for such items has not been included in the financial statements.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may rise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

5.1 Financial Instruments

	2018	2017
	\$	\$
5.1A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash on deposit	2,853,717	3,338,453
Loans and other receivables	8,393,497	7,763,996
Total financial assets	11,247,214	11,102,449
Financial Liabilities		
At amortised cost:		
Other payables	(15,750)	(26,467)
Total financial liabilities	(15,750)	(26,467)

Accounting Policy**Financial Assets**

The RWTF classifies its financial assets in the following categories:

- a. held-to-maturity investments; and
- b. loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial assets held at cost – if there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2018	2017
	\$	\$
5.1B: Net Gains and or Losses on Financial Assets		
Cash and cash equivalents		
Bank Interest revenue	62,946	80,380
Net gain from cash and cash equivalents	62,946	80,380
Loans and receivables		
Members contributions on loans	530,828	483,512
Loan Interest revenue	1,001,593	970,812
Loss on initial recognition of loans and receivables at fair value	(1,054,618)	(959,575)
Net gains from loans and receivables	477,803	494,749
Net gains on financial assets	540,749	575,129

OTHER INFORMATION**6.1 Insurance**

The RWTF has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through the Government's Comcare Australia.

6.2 Losses from Loan Re-Measurement and Loan Interest

In accordance with AASB 139, the decision to provide a loan at no interest rate represents income foregone by the lender. The income foregone (or financial loss) should be recognised at the time of the decision to make the loan rather than over the life of the loan. Therefore the accounting standard requires that the loss be recognised at the time that the loan is made. After initial recognition, the loan should be treated consistent with a commercial loan (as represented by the recognition of interest revenue over the remaining life of the loan).

In accounting terms, AASB 139 requires that:

1. Financial assets issued at less than a market interest rate are required to be discounted to their fair value, with the difference between the issue price and the fair value (i.e. the financial loss for interest foregone) being recognised as a loss in the statement of comprehensive income and as a reduction in the value of the loan receivable; and
2. Over the life of the loan, a notional interest income is recognised as interest revenue in the statement of comprehensive income and an increase in the loan receivable.

6.3 Resources provided 'Free of Charge' to the Fund

During the year the following resources were provided free of charge by the Department of Defence:

- a. Office accommodation with computer, telephone, postage and stationery support;
- b. Use of the Australian Defence Force pay system to recover loan repayments from serving RAAF members; and
- c. Assistance from Defence Force personnel on an ad-hoc basis.

The above resources cannot be reliably measured and have not been recognised in the financial statements.

6.4 Investment of surplus money

Subparagraphs 59(1) (a) and (b) of the PGPA Act allows corporate Commonwealth entities to invest money that is not immediately required for the purposes of the entity.

The RWTF's surplus moneys are on deposit with the Defence Bank.

6.5 Economic dependency

The RWTF receives economic support from the Department of Defence by way of the provision of administrative support, computer and communication facilities and office accommodation for the RWTF's Secretariat. However, the Trustees consider that in the event that the support provided by the Department of Defence was fully or partly withdrawn, the RWTF is in such a position that it could continue to provide benefits, although possibly at a reduced level, to eligible persons.

6.6 Segment reporting

The RWTF operates across Australia and exists to provide benefits to serving and ex-serving members of the RAAF and their dependants.

6.7 Average staffing levels

	2018	2017
The average staffing levels for the RWTF during the year were:	2	2

**Royal Australian Air Force Welfare Trust Fund
Annual Performance Statement**

The Trustees, as the accountable authority of the Royal Australian Air Force Welfare Trust Fund, present the 2017 – 2018 annual performance statement of the Royal Australian Air Force Welfare Trust Fund, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In our opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.

The purpose of the Royal Australian Air Force Welfare Trust Fund is to provide benefits for members of the Defence Forces who have served in, or in association with, the Royal Australian Air Force and to the dependants of such members.

The following activities, as detailed in the Royal Australian Air Force Welfare Trust Fund corporate plan for the reporting period 2017 -2018, enabled the Fund to meet objectives.

Activity	Performance Monitoring and Measurement	Analysis
Low cost loans		
<p>Objective: Make low cost loans available to eligible persons</p> <p>Results: The Fund provided 3306 loans to RAAF members totalling \$14,588,500.</p>	<ol style="list-style-type: none"> 1. Compare current year financial data sets against previous year data sets and against cash flow forecasts. 2. Review loan achievement compared with desired focus on lower-paid personnel. 3. Review maintenance of real value of loans. 	<ol style="list-style-type: none"> 1. \$14,588,500 was loaned to RAAF members compared with \$13,455,811 in the previous year. Loans issued were within cash flow forecasts. 2. Loans paid to lower-paid personnel represented 63% of all loans. 3. The maximum value of the loan available to service personnel increased to \$5,000 from \$4,500.
Grants to Individuals		
<p>Objective: Make grants available to serving and ex-serving personnel who are suffering from financial hardship or from the effects of natural disaster.</p> <p>Results: Five requests for support were received from serving members.</p> <p>Cyclone Marcus resulted in receipt of requests for emergency assistance from five serving members. One request was received from the RAAF Darwin Fishing Club.</p>	<ol style="list-style-type: none"> 1. Review instances of support provided against requests for support received. 2. Review overall impact of grants to individuals on financial operations. 	<ol style="list-style-type: none"> 1. All four requests in support of serving members were approved totalling \$5,576. 2. All five individual requests and in addition the Fishing Club requests totalling \$1,700 were approved and paid as a result of Cyclone Marcus. 3. These requests (\$7,276) had no real impact on financial operations during the reporting period.

<p>Grants to Bases</p> <p>Objective: Provide grants to RAAF Bases for welfare related projects.</p> <p>Results: The sum of \$127,437 was approved and distributed among RAAF Bases for welfare related projects.</p>	<ol style="list-style-type: none"> 1. Ensure expenditure within limits set by Board. 2. Review financial achievement and amenity improvement on bases receiving grants. 3. Review overall impact of grants to Bases on financial operations. 	<ol style="list-style-type: none"> 1. Grants to Bases were approved by the Board. The Board increased the amount available from the Corporate Plan resourcing of \$70,000 - \$100,000 due to the strong financial position of the Fund. 2. The grants provided to Bases covered a wide range of welfare related activities and, given the lack of available funding from other sources, the grants are expected to have a significant positive affect on the welfare and amenity of RAAF members and their families. 3. After grant payments the Fund realised a surplus of income over expenditure of \$201,284. This surplus is sufficient to cover expected expenses and provide growth for the Fund.
<p>Group Life Insurance Scheme</p> <p>Objective: Provide serving RAAF members with the opportunity to participate in a low cost insurance scheme.</p> <p>Results: 7811 RAAF members were participating in the scheme as at 30 June 18. Membership of the scheme increased from 7734 from the end of the previous financial year.</p>	<ol style="list-style-type: none"> 1. Review achievement of membership target of greater than 50% of Air Force personnel. 2. Review maintenance of real value of loans. 3. Review contractor performance in administering membership of the scheme. 	<ol style="list-style-type: none"> 1. Based on a permanent RAAF workforce of approximately 14,330 personnel the participation rate achieved was 54%. 2. Contractor (Ezidebit) provided an appropriate means of managing and collecting member contributions. 3. 6 payments of \$15,000 were made to beneficiaries of deceased personnel during the reporting period. 1 payment of \$15,000 remains outstanding.