



Australian Government
Royal Australian Air Force
Welfare Trust Fund

ABN 24 616 803 717

CORPORATE PLAN

INTRODUCTION

Statement of preparation

1. The Board of Trustees of the Royal Australian Air Force Welfare Trust Fund (RWTF) present the corporate plan as required under paragraph 35(1) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. The plan is prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014*.
2. The corporate plan is prepared for the reporting period 2019-20.
3. The corporate plan will cover the reporting periods 2019-20 to 2022-23.

PURPOSE

4. 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.
5. The objective of the RWTF is to provide financial assistance to serving and ex-serving members of the Air Force and their dependants. This objective is met by providing:
 - a. Low cost loans to (SERCAT 6 and 7) permanent serving Air Force personnel.
 - b. Grants to serving and ex-serving personnel who are suffering financial hardship or from the effects of natural disaster.
 - c. Grants to Air Force Bases for specific projects to support the welfare and amenities available to Air Force personnel and their dependants.
 - d. A Group Life Insurance Scheme for (SERCAT 6 and 7) permanent serving Air Force personnel.
6. The RWTF expects that its activities will enhance the morale and well being of serving and ex-serving members of the Air Force and their dependants.

ENVIRONMENT

7. The RWTF does not operate in a competitive environment and, subject to available funds, is able to effect on an as needed basis, its desired outcomes.

8. The Fund is reliant upon the use of the Department of Defence payroll system for the administration and recovery of loan repayments from (SERCAT 6 and 7) permanent serving Air Force personnel.

9. The Fund is reliant on the Department of Defence for the provision of office accommodation with computer, telephone, postage and stationery support.

PERFORMANCE

10. In keeping with the objective of the RWTF to provide financial assistance to serving and ex-serving members of the Air Force and their dependants, it also strives to maintain and, where possible, increase the value of benefits available to eligible persons. Key activities include the provision of:

Low Cost Loans

11. **Objective:** Make low cost loans available to eligible persons.

12. **Delivery Strategy:** Provide simple on-line access to loan documents and utilise the Base Chaplain network for ease of submission.

13. **Resourcing:** \$14 - \$16 million per annum.

14. **Performance Monitoring and Measurement:**

- a. Compare current year financial data sets against previous year data sets, and against cash flow forecasts.
- b. Review loan achievement compared with desired focus on lower-paid personnel.
- c. Review maintenance of real value of the loans.
- d. Ensure that eligible persons have access to online applications.

Grants to individuals

15. **Objective:** Make grants available to serving and ex-serving personnel who are suffering financial hardship or make grants available to serving members suffering from the effects of natural disaster.

16. **Delivery Strategy:** Through the Chaplaincy and Command network, maintain a pro-active approach to natural disaster relief and receive advice regarding individual cases where financial assistance is sought.

17. **Resourcing:** No specific financial allocation. Applications considered on a case by case basis having regard for available funds and the assistance available from other sources where appropriate (eg RSL, Dept of Veterans' Affairs).

18. **Performance Monitoring and Measurement:**

- a. Review instances of support provided against requests for support received.
- b. Review overall impact of grants to individuals on the Fund's financial operations.

Grants to bases

19. **Objective:** Provide grants to Air Force Bases for welfare related projects.

20. **Delivery Strategy:** Provide Air Force Bases with guidelines on types of projects that may be funded. Actively encourage Base management to submit bids for worthwhile projects.

21. **Resourcing:** \$100,000 - \$175,000 per annum

22. **Performance Monitoring and Measurement:**

- a. Ensure expenditure within limits set by Board.
- b. Review financial achievement and amenity improvement on bases receiving grants.
- c. Review overall impact of grants to Bases on the Fund's financial operations.

Group Life Insurance Scheme

23. **Objective:** Provide (SERCAT 6 and 7) permanent serving Air Force personnel with the opportunity to participate in a low cost insurance scheme.

24. **Delivery Strategy:** Promote the Scheme through Air Force publications and provide prospective members with a simple on-line membership application process.

25. **Resourcing:** No specific financial allocation. Scheme self-funding through member contributions and insurance claim underwriting.

26. **Performance Monitoring and Measurement:**

- a. Review achievement of membership target with an aim to maintain more than 50% and increase to more than 55% of (SERCAT 6 and 7) permanent Air Force personnel.
- b. Review contractor performance and ensure fees in administering and underwriting the scheme do not exceed premiums charged.

CAPABILITY

27. The key strategy for the Fund to achieve its objectives is to manage its financial operations in a manner that will cover expenses and provide growth for the Fund. This will be achieved mainly through the imposition of a low cost Fund Maintenance Charge on loans to (SERCAT 6 and 7) permanent Air Force personnel. Additionally, surplus funds will be invested in a manner so as to maximise interest earnings with minimal risk to the investment.

28. The Fund will also:

- a. review opportunities to improve its support of the welfare of Air Force personnel and their dependants, consistent with its financial position, and
- b. ensure its Board meets the Australian Government gender diversity target and aims to maintain an appropriate mix of ranks.

RISK OVERSIGHT AND MANAGEMENT

29. The RWTF is a corporate Commonwealth entity and, as such, is not required to comply with the *Commonwealth Risk Management Policy* and components of the *Commonwealth Fraud Control Framework*. However, the Trustees have adopted this policy as best practice standards for fraud control, commensurate with the Fund's activities.

30. In accordance with section 16 of the PGPA Act, the RWTF has established and maintains appropriate systems of risk oversight, management and internal control. Core risk management processes have been implemented by the establishment of:

- a. Risk Management and Fraud Control Plan (including Risk Register),
- b. Protective Security Plan (including Risk Register),
- c. Audit Committee,
- d. Records Policy Management Manual
- e. Constitution and Rules
- f. Standing Orders and Operating Procedures, and
- g. Code of Conduct.

31. This plan has been accepted in accordance with a resolution by the Board of Trustees on 13 May 2019 and is to be reviewed by no later than 31 May 2020.

M. WILLIS

Principal Air Chaplain

Chair of Trustees

RAAF Welfare Trust Fund