



Australian Government
Australian Military Forces
Relief Trust Fund

CORPORATE PLAN

2024–2025

For the reporting period 2024–25 to 2028–29

STATEMENT OF PREPARATION

We, the Board of Trustees of the Australian Military Forces Relief Trust Fund (AMFRTF), as the Accountable Authority of the Fund, present the AMFRTF *Corporate Plan 2024–25* as required under paragraph 35 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Plan is prepared in accordance with section 16E of the *Public Governance, Performance and Accountability Rule 2014*.



CD Dobson, AM, CSC

Major General

Chair of Trustees

Australian Military Forces Relief Trust Fund

// July 2024

PURPOSE

To provide benefits through loans and grants that contribute to the welfare of members of the Australian Army, in particular members who have served in the Australian Army and for the dependants of these members.

The AMFRTF has set goals to continually achieve this purpose. These goals cover the current and subsequent years of the Plan.

- **Loans**—the provision of loans up to \$6,000 to members of the Australian Regular Army and Army Reserve SERVOP C who require financial assistance, and who have completed Initial Employment Training or have a minimum of 12 months continuous full-time service and are 18 years of age or above.
- **Hardship grants**—the provision of grants up to \$2,500 to former members or dependants of members who are suffering financial hardship; that is, in a situation where someone does not have sufficient personal financial resources to be able to provide the basic living requirements, including items such as accommodation, transport, legal and medical expenses.
- **Financial management and investment**—the provision of sound financial management and investment practice to ensure there is sufficient capital to meet the operational goals and to ensure the entity grows and remains relevant to the needs of Army.

For more information visit <https://www.armyrtf.com.au>

ENVIRONMENT

The Fund does not operate in a competitive environment and, subject to financial and human resources, can achieve its purpose.

Controlling factors: The AMFRTF relies on fund maintenance contributions, investments income and others donations/contributions for self-sustainment.

Partially controlled factors: The AMFRTF can approve or reject an application but cannot influence the financial behaviour of those eligible to apply for assistance.

Other factors: The AMFRTF is reliant on Department of Defence for Australian Public Service (APS) staff, office space and ICT as well as the payroll system for the recovery of loan repayments and separation payments.

Administrative factors: The AMFRTF is a corporate Commonwealth entity within the Department of Defence portfolio and oversight by a Trustees Board appointed by the responsible Minister. The Fund operates in accordance with the *Services Trust Fund Act 1947*, the *PGPA Act 2013* and other relevant policy and legislation.

Technological factors: The AMFRTF uses the Department of Defence ICT including its record management database and a standalone laptop for MYOB financial management.

PERFORMANCE

LOANS

Activity 1	Provide financial assistance to members of the Army through the provision of low cost and affordable loans.
Intended result	Provide benefits for members of the Australian Army by providing loans in a prompt and efficient manner, with those in greatest need given priority.
Delivery strategy	Promote the availability of financial assistance through the AMFRTF website. Web form application is used for application and approval process. Annual guideline budget of approximately \$5.0 million to \$5.2 million.
Measuring performance 2024–25 and out to 2028–29	Funds disbursed within the guidance annual budget. Number and types of loans are in scope and reported annually. Greater than 75 per cent of loans issued to junior ranks (Sergeant/Lieutenant and below).

HARDSHIP GRANTS

Activity 2	Provide financial assistance to former/current members and or theirs dependants in financial and necessitous circumstances through hardship grants.
Intended result	Provide benefits for former members who have served in, or in association with, the Australian Army, and for the dependants of current or former members, through hardship grants for eligible persons under financial hardship or in necessitous circumstances.
Delivery strategy	Clear guidelines to be available on the AMFRTF website. Hardship grants are up to \$2,500 unless extenuating circumstances require additional funding. Trustees will determine fund availability for hardship grants and by the overall financial performance of the Trust Fund. Hardship grants are not paid directly to applicant but are for goods and services or are paid towards outstanding bills.
Measuring performance 2024–25 and out to 2028–29	Hardship grants have been approved by Trustees and do not exceed funding availability for that year.

FINANCIAL MANAGEMENT AND INVESTING

Activity 3	Apply prudent financial management and investment practices in accordance with <i>PGPA Act, Services Trust Fund Act 1947</i>, other relevant legislative rules and accounting standards.
Intended result	AMFRTF remains self-sustaining through sound financial management and investment for each financial year, while meeting governance and legislative compliance.
Delivery strategy	Trustees Board set the fund management fee. Fund maintenance charge of 2 per cent will apply on all general purpose loans. Invest a minimum \$1.5 million in diverse and low risk term deposits.
Measuring performance 2024–25 and out to 2028–29	Achieving a positive profit outcome at the end of financial year. Comply with corporate governance and legislative requirements for the reporting period. Bad debt annual write-off is set less than 1 per cent of the yearly debtors' control.

GROWTH ASSET PLANNING

Activity 4	Explore options to grow the volume of funds available to loan to members of the Australian Army.
Intended result	Options to increase the volume of funds are identified and critically assessed. Implementation plans for any viable options are presented to the Board of Trustees for formal consideration.
Delivery strategy	A standing agenda item on Board meetings will be used to drive work by Trustees and the Secretariat.
Measuring performance 2024–25 and out to 2028–29	2024-25 <ul style="list-style-type: none"> • An appreciation process is conducted via Board meetings. • Implementations plans for agreed viable options are considered by the Board by end of the current financial year. • Execute any plans if Board agrees to expedite any options. Possible execution phase out to 2028-29 <ul style="list-style-type: none"> • Execute any agreed implementation Plans. • Achieve plan milestones and performance indicators.

CAPABILITY

The AMFRTF achieves its purpose by continuing to be self-sustaining through low cost fund maintenance charges on general purpose loans, investment returns from term deposits, explore donations/contribution from external sources and minimisation of bad debts.

While there is no change to the purpose of the entity, it is envisaged that there will be a need to monitor demand on the limited financial resources over the period of this Plan.

The Board and Audit Committee comprise Army, ex-service members and APS who receive no remuneration from the Trust. The Board will maintain continuous strategic oversight of current and future capability to maximise its utility to Army.

The Secretariat is situated in Army Headquarters and the Department of Defence supports its resources, including APS staff, office accommodation, ICT services and corporate governance supports. The supports include but not limit to Freedom of Information, Fraud Risk Control, Occupational Health and Safety and Security (including Cyber Security).

The AMFRTF website, with its Web Form application, is the key to the operation of the entity in processing the loan applications for Army members. The Department of Defence provides other ICT support. A trust fund-owned laptop is used for MYOB financial management and reporting.

Collaborate with other services trust funds to promote opportunities to create consistency in benefits provided better to services to personnel.

RISK OVERSIGHT AND MANAGEMENT

Risk appetite

The AMFRTF Board faces a range of risks reflecting its responsibilities as the Trustee of the AMFRTF. These risks include the responsibility of being self-sustaining and performing day-to-day operational activities to achieve its purpose. The AMFRTF has a low to medium appetite for operational risk and makes resources available to mitigate risk to acceptable levels.

Management of Key Risks

Risk 1 - Unavailability of key personnel

The agreed contingency is to be managed by the AMFRTF staff who will outsource where applicable. It is acknowledged there will be a cost for salaries, oncost if outsourced and risk for the use of external service providers. The mitigation actions to be taken include:

- Business employs expertise on a casual or part-time basis.
- Workplace training of staff.
- Implementing a business plan and to ensure business continuity.
- Audit review of all external service providers.

Risk 2 - Collapse of Financial Institutions

The agreed preventive is to be managed by the Board and Secretariat. The mitigation actions to be taken include:

- Diversify term deposits.
- Diversify fund managements.

Risk 3 - Personnel fraud

The agreed preventative and contingency will be managed by the Board and Secretariat. The mitigation actions to be taken include:

- All bank financial transactions require two signatories.
- Insurance cover for fraud and fidelity.
- Annual External Audit carried out by the Australian National Audit Office's contractor.
- Internal audit procedures instigated by the Audit Committee.
- Staff undertake mandatory Fraud & Integrity Awareness training.
- Provide a Conflict of Interest Declaration.

The following are the responsibilities for the Board of Trustees, the Audit Committee and the Secretariat in relation to risk oversight and management of the Fund:

The **Board of Trustees** is responsible for:

- setting strategic direction;
- approving Corporate Plan;
- approving the Risk Management and Fraud Control Plan and Risk Register; and
- ensuring appropriate risk management processes are applied.

The **Audit Committee** is responsible for:

- overseeing the financial and performance reporting and its disclosure process; and
- conducting regular internal reviews business operations to ensure compliance with risk management and fraud issues.

The **Management of the Trust** is responsible for:

- managing financial and corporate compliance reporting;
- maintaining the corporate plans, registers and policy manuals; and
- managing day-to-day operational performance.

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