Australian Government

Australian Military Forces Relief Trust Fund

CORPORATE PLAN 2025–2026

For the reporting period 2025–26 to 2029–30

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 2025–26* for the period 2025-26 to 2029-30, as required under paragraph 35(1) (b) 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

7 August 2025

PURPOSE

To provide benefits through loans and grants that contribute to the welfare of soldiers of the Australian Army, in particular soldiers 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 soldiers 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 and Special Payments**—the provision of special payments up to $2,500 to former soldiers or dependants of soldiers 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 our soldiers.

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

ENVIRONMENT

The primary beneficiaries of the AMFRTF's activities are Australian Army personnel and their families. This is a diverse group and ways they live and work evolve over time in response to multiple factors including changes in structure of the Australian Defence Force, location, economic and social changes. In order to achieve its purpose, AMFRTF needs to respond to these changes, ensuring the financial relief benefit it provides remain relevant and valued by beneficiaries, whose number is also increasing over time with planned growth in Australian Army personnel.

Factors over which AMFRTF has full control:

- Decisions in relation to trust-owned financial asset including the ability to invest and expense. The Trustee Board has committed to a strategic review of its fund portfolio in accordance with its long-term strategy to maximise financial for beneficiaries.
- The approval criteria and decision making for loan applications and hardship payments.

Factors over which AMFRTF has partial control:

- Demand from Australian Army personnel for the various types of loans that the Trust provides.
- Investment returns that can be achieved through a conservative strategy using term deposit and adapt the market rate at the time.

Factors over which AMFRTF has no control:

- The structure, location and activities of the Australian Defence Force.
- Organisational changes within the Defence portfolio that impact on operations of the AMFRTF.

PERFORMANCE

Performance of the AMFRTF is assessed against four key factors: provision of low cost loans to Army personnel; provision of special hardship payments; robust financial management of funds/investments; and planning to support continued accumulation of funds under management.

LOANS

Activity 1	**Provide financial assistance to Army soldiers through the provision of low cost and affordable loans.**
Intended result	Provide benefits for soldiers 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 budget guidance of $5.0 million to $5.2 million.
Measuring performance 2025–26 and out to 2029–30	Funds disbursed within the annual budget. Numbers and types of loans are in scope and reported annually. Greater than 75 per cent of loans issued to junior ranks (Lieutenant and below).

SPECIAL HARDSHIP PAYMENTS

Activity 2	**Provide financial assistance to former/current soldiers and or theirs dependants in financial and necessitous circumstances through hardship special payments.**
Intended result	Provide benefits for separated soldiers who have served in, or in association with, the Australian Army, and for the dependants of current or former soldiers, through special hardship payments for eligible persons under financial hardship or in necessitous circumstances.
Delivery strategy	Clear guidelines is available on the AMFRTF website. Special hardship payments are up to $2,500 unless extenuating circumstances require additional funding. Trustees will determine fund availability for hardship payments and by the overall financial performance of the Trust Fund. Hardship payments are not paid directly to applicant but are for goods and services or are paid towards outstanding bills.
Measuring performance 2025–26 and out to 2029–30	Trustees to approve the hardship payment and does not exceed funding availability for the budgeted year.

FINANCIAL MANAGEMENT AND INVESTING

Activity 3	**Apply prudent financial management and investment practices in accordance with the *PGPA Act, Services Trust Fund Act 1947,* 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 fee is set at 2 per cent on all general purpose loans. Invest a minimum $1.5 million in diverse and low risk term deposits.
Measuring performance 2025–26 and out to 2029–30	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 Trust’s funds available to soldiers 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 prudence consideration.
Delivery strategy	A standing agenda item on Board meetings will be used to drive work by Trustees and the Secretariat.
Measuring performance 2025–26 and out to 2029–30	**2025-26** • 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 2029-30** • Execute any agreed implementation Plans. • Achieve plan milestones and performance indicators.

CAPABILITY

In order to deliver its purpose, AMFRTF maintains a Board of Trustees, primarily drawn from current Australian Army personnel and reservists with specialist skills and diversity. The Board needs to steward the resources of the Trusts so that they remain self-sustaining including to explore viable options to expand income source. It then needs to design and implement delivery strategies in order to maximise the income source that can be provided to beneficiaries. The Trustee Board also continues to oversee the Trust’s capability, and monitors operational workload and resources to ensure efficiency is optimised.

The Department of Defence (Army Group) provides the Trust with personnel, ICT capability and other administrative support at resource-free-of-charge to conduct its day-to-day activities. This further ensures that the Trust is able to direct the resources of AMFRTF to provide financial support to beneficiaries.

RISK OVERSIGHT AND MANAGEMENT

Risk appetite

The Trustee 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 medium to high appetite for operational risk and makes resources available to mitigate risk to acceptable levels.

Management of Key Risks

Risk 1 - Unavailability of key personnel

Due to the size of operations, AMFRTF has a small number of staff who are primarily funded by the Department of Defence. Loss or unavailability of key personnel has the potential to significantly impact the management and/or efficiency of day-to-day operations in the short to medium term, as alternative personnel would need to be recruited, trained and build familiarity with the Trust's operations. This risk cannot be completely eliminated, however is mitigated through a number of means:

- Implementation of workplace measures including cross training of staff in the Trust's activities, rotation of roles, documentation of procedures and succession planning for key positions;
- The Trust employs expertise on a casual or part-time basis to supplement core personnel (however this comes at an increased cost); and
- Maintaining a business continuity plan including the response to the loss of any key personnel.

Risk 2 - External influence to Trustee board decisions

AMFRTF operates in a wide range of stakeholder environment including the potential risk of undue influence to decision making. AMFRTF has a primary responsibility to administer the Trusts on behalf of the beneficiaries and mitigates this risk through:

- Maintaining a diverse Trustee Board membership that is aligned with the interests of Australian Army personnel;
- Proactive consultation and management of stakeholders to achieve a common understanding around any potential contentious decisions; and
- Proper governance processes around decision making including documentation in minutes for transparency and accountability.

Risk 3 - Personnel fraud and conflict of interest

The agreed preventative and contingency fraud control measure 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 external auditors.
- Internal audit procedures instigated by the Audit Committee.
- Secretariat undertake mandatory Fraud & Integrity Awareness training.
- Provide a Conflict of Interest Declaration register and be reviewed annually.

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 the 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.

COOPERATION

AMFRTF maintains a high degree of cooperation with the Department of Defence and particularly with similar Defence Portfolio Agencies. This involves working closely with the Royal Australian Navy Relief Trust Fund and the Royal Australian Air Force Welfare Trust Fund as the other entities bound by the *Services Trust Funds Act 1947*. This approach provides opportunities to benchmark best practice to enhance delivery of low cost loans and financial assistance to people from across the Services. Like the AMFRTF, these entities have mutual and focussed interests in promoting financial relief benefit for Service personnel.

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