



Australian Government  
Australian Military Forces  
Relief Trust Fund

# CORPORATE PLAN 2015 - 2016

R22657143

## 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 as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* and the *Services Trust Fund Act 1947*. The plan is prepared in accordance with Section 16E and 27A of the *Public Governance, Performance and Accountability Rule 2014*.

This plan is prepared for the FY 2015-2016

The plan covers the five year period to 2019-2020.

For the purposes of this document, the term Army Relief Trust Fund (ARTF) will mean the Australian Military Forces Relief Trust Fund.

The Plan is accepted in accordance with a Resolution by the Accountable Authority (Board of Trustees).

**PE DANIEL AM, CSC**  
Chair  
AMFRTF

**JE DENTON**  
Chair  
Audit Committee

27 July 2015

28 July 2015

## **PURPOSE**

The purpose of the ARTF is to provide benefits for members of the Australian Army, in particular members who have served in, or in association with, the Australian Army and for the dependants of such members. This accords with the objectives as defined in the *Services Trust Fund Act 1947*.

The Accountable Authority achieves this by:

- a. the provision of loans to members of the Australian Regular Army and Army Reserve (CFTS) who require financial assistance, and, who have completed a minimum of 12 months continuous full-time service and are 18 years of age or above.
- b. the provision of grants to persons who are suffering financial hardship, that is, in a situation where a member does not have sufficient personal financial resources to be able to provide the basic living requirements, including such items as accommodation, food, clothing and, in certain circumstances, transport and medical expenses.
- c. Investing surplus funds in a conservative profile.
- d. Employing appropriately skilled Secretariat staff to assist with the management of the Fund.

**Horizon.** The Fund's strategic horizon for this Corporate Plan extends to financial year end 2020. In the interim, annual reviews will be conducted on services provided to members of the Army to determine the continued relevance to the aim and mission.

<b>Operational Goals</b>	
<b>1. Loans</b>	The ARTF's primary focus is the provision of low cost, affordable loans up to \$5,000 for Army members needing financial support.
<b>2. Grants</b>	Provide hardship grants of up to \$2,500 to eligible persons who present in financial hardship or necessitous circumstances.
<b>Administrative Goals</b>	
<b>1. Management</b>	Maintain and review management documentation and practices as necessary to meet current and future ARTF operational goals.
<b>2. Finances</b>	Administer the financial activities of the ARTF to ensure there is sufficient capital to meet the operational goals of the Plan and to ensure the entity 'grows' and remains relevant to the needs of Army.

## **ENVIRONMENT**

The Fund operates chiefly for the benefit of serving members of the Army.

**Controlling Factors:** The Fund relies on Funds Maintenance Contributions and Investments income for self-sustainment.

**Partially Controlled Factors:** The Trust can approve or reject an application but cannot influence the financial behaviour of those eligible to apply for assistance.

**Other factors:** Relationships established with the ADF Assistance Trust, the SASR Trust, the Commando Welfare Trust, ADF Consumer Centre, other Ex-Service Organisations as well as the Navy and Air Force Trust Fund's assist the Secretariat in correctly referring members requesting assistance when required.

**Administrative:** The ARTF is a Commonwealth statutory authority, within the General Government sector, and is directed by Trustees appointed by the Minister. The Fund's central secretariat is staffed by two Defence APS. The Fund operates in accordance with the relevant legislation (including the Services Trust Fund Act 1947 and the PGPA Act 2013).

**Technological factors:** The ARTF uses the Defence official filing system and stand alone MYOB for financial management. The web site management is outsourced.

## **PERFORMANCE**

### **OPERATIONAL OBJECTIVES**

#### **LOANS AND RELATED SERVICES**

<b>Activity 1</b>	<b>Provide financial assistance to members of the Army through the provision of low cost, affordable loans.</b>
<b>Intended Result</b>	Loans will be disbursed in a prompt and efficient manner with those in greatest need receiving priority, while keeping within an annual budget.
<b>Delivery</b>	<p>Promote the availability of financial assistance to members of the Army and provide guidelines for applying for assistance through the ARTF web site.</p> <p>Use electronic work flow application process to allow members and their Chain of Command an efficient means of submitting and reviewing applications prior to Secretariat approval and processing.</p> <p>Trustees to review annual guideline budget of \$3.640m (\$0.140m per pay) and if maximum loan rate \$5,000 are still appropriate.</p> <p>Trustees to regularly review criteria in relation to what is a reasonable 'reason' for a loan application.</p>
<b>Resources</b>	The Trustees annually review the available funds against workload trends to set an annual guideline budget.
<b>Performance Indicators:</b>	<ul style="list-style-type: none"> <li>• Funds are disbursed in accordance with Trustee guidance and budget.</li> <li>• Number and types of loans are in scope and reportable.</li> <li>• Target met of &gt; 75% of loans issued to junior ranks (SGT and below).</li> </ul>

## GRANTS

<b>Activity 2</b>	<b>Provide financial assistance to members in financial and necessitous circumstances through Hardship Grants.</b>
<b>Intended Result</b>	Hardship Grants are provided for eligible persons in financial and necessitous circumstances in accordance with Trustee annual guidance.
<b>Delivery</b>	Clear guidelines to be available on the ARTF web site for those considering making a request for Hardship Grants.
<b>Resources</b>	A budget of \$0.010m is set aside annually. However requests are considered on an 'as required' basis.
<b>Performance Indicator</b>	<ul style="list-style-type: none"> <li>• Trustee approved Hardship Grants will be funded up to \$2,500 (unless agreed otherwise) and recorded by purpose for annual EOFY reporting.</li> </ul>

## FINANCES

<b>Activity 3</b>	<b>Conduct the financial activities of the Trust, using sound financial management practices in accordance with PGPA Act and Services Trust Fund Act and other relevant instructions.</b>
<b>Intended Result</b>	Sound financial management for the financial year achieving self sustainment as well as governance and legislative compliance.
<b>Delivery</b>	<p>Secretariat, under guidance of the Trustees and Audit Committee, will manage the Trust activities as directed.</p> <p>Bad debt minimised through management of separating members and use debt collection agents.</p>
<b>Resources</b>	Staffing resources are provided by Defence with Trustees and the Audit Committee serving on a voluntary basis.
<b>Performance Indicators</b>	<ul style="list-style-type: none"> <li>• EOFY Annual Report and Financial statements demonstrate self sustainment and a managed budget over the current and future years of the Plan.</li> <li>• No non-compliant findings on governance and legislative requirements.</li> <li>• Bad debt annual write off kept within acceptable range &lt;1%</li> </ul>

<b>Activity 4</b>	<b>Ensure optimum returns from investments.</b>
<b>Intended Result</b>	Obtain best rate on offer whilst ensuring the 'safety' of funds invested.

<b>Delivery</b>	Invest in only low risk secure environments according to the Services Trust Fund Act. Use an investment advisor to interrogate the market for guidance when required to help determine an investment strategy.
<b>Resources</b>	Maintain investments at a minimum of \$1.500m
<b>Performance Indicator</b>	<ul style="list-style-type: none"> <li>Investment income that assist the Trust to maintain its value when measured against CPI (Operating surplus meets or betters CPI as percent of total equity)</li> </ul>

## **CAPABILITY**

As the business of the entity has the single purpose, which is to provide benefits for members or ex-members of the Australian Army and for the dependants of such members, it is envisaged that there will be little change to its operating environment over the period of this Plan. The Accountable Authority and Secretariat will maintain a continuous business improvement, especially in relation to workflow processes, to maximise the entities utility to Army. Additionally, the Accountable Authority will regularly review workloads to ensure staffing levels are not being overstretched and therefore compromise efficiency.

## **RISK OVERSIGHT AND MANAGEMENT**

**The following are the responsibilities of the Accountable Authority, Secretariat and the Audit Committee in relation to risk oversight and management of the business entity:**

- a. **Accountable Authority.** Ultimate responsibility for approving the Risk Management and Fraud Control Plan rests with the Board of Trustees. As well as ensuring appropriate risk management processes are applied as well as instances are investigated.
- b. **Secretariat.** The Secretariat is responsible for the development, implementation and updates of a Risk Management and Fraud Control Plan. The Secretariat must report to the Chair of the Audit Committee any instances of found or suspected fraud, which may come to their attention as soon as practicable.
- c. **Audit Committee.** The Audit Committee are responsible for reviewing any proposed changes to the Risk Management and Fraud Control Plan prior to the Board Trustees approval. Also it will carry out regular internal reviews of business operations to ensure compliance with risk management and fraud related issues.