

*The Services Trust Funds Act 1947*

**THE**  
**ROYAL AUSTRALIAN AIR FORCE**  
**WELFARE TRUST FUND**

*Annual Report*

*For the period*

*1 July 2018 to 30 June 2019*

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RAAF Welfare Trust Fund  
Department of Defence  
F4-2-010  
PO Box 7933  
CANBERRA BC ACT 2610

**TRUSTEES**

**OF THE**

**ROYAL AUSTRALIAN AIR FORCE**

**WELFARE TRUST FUND**

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

\*

Air Commodore **S. McGREADY**

\*

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**

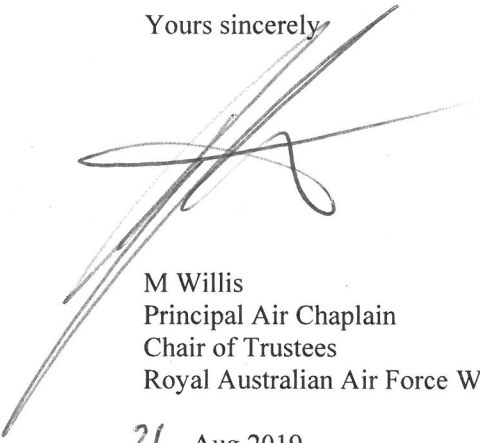
Secretary to the Trustees: **Mr K. PEPPER**  
Assistant Secretary: **Mrs D.L. PERRY**

**The Hon Darren Chester, MP**  
Minister for Veterans and Defence Personnel  
Parliament House  
Canberra, ACT 2600

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 2019. The report is to meet the requirements of section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and as such includes both annual performance statements and annual financial statements.

Yours sincerely



M Willis  
Principal Air Chaplain  
Chair of Trustees  
Royal Australian Air Force Welfare Trust Fund

26 Aug 2019

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## INTRODUCTION

### List of Requirements

<b>PGPA Rule Reference</b>	<b>Part of Report</b>	<b>Description</b>
17BE	Contents	Contents of annual report
17BE(a)	Introduction	Details of the legislation establishing the body
17BE(b)(i)	Introduction	A summary of the objects and functions of the entity as set out in legislation
17BE(b)(ii)	Introduction	The purposes of the entity as included in the entity's corporate plan for the reporting period
17BE(c)	Organisational Structure and Compliance	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers
17BE(d)	Organisational Structure and Compliance	Directions given to the entity by the Minister under an Act or instrument during the reporting period
17BE(e)	Organisational Structure and Compliance	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act
17BE(g)	Annual Performance Statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule
17BE(h) 17BE(i)	Organisational Structure and Compliance	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance
17BE(j)	RWTF Board of Trustees	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period
17BE(k)	Organisational Structure and Compliance	Outline of the organisational structure of the entity (including any subsidiaries of the entity)
17BE(ka)	People and Relationships	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; and (d) statistics on staff location.
17BE(l)	Organisational Structure and Compliance	Outline of the location (whether in Australia or not) of major activities or facilities of the entity
17BE(m)	Corporate Governance	Information relating to the main corporate governance practices used by the entity during the reporting period
17BE(n) 17BE(o)	People and Relationships	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than 1 transaction the aggregate of those transactions, is more than \$10,000 (inclusive of GST)
17BE(t)	Other Information	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)
17BE(ta)	People and Relationships	Information about executive remuneration

## **Enabling Legislation and Purpose**

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.

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 RAAF Bases for specific projects to support the welfare and amenity available to Air Force personnel and their dependants, and
- d. A Group Life Insurance Scheme for (SERCAT 6 and 7) permanent serving Air Force personnel.

## **ORGANISATION STRUCTURE AND COMPLIANCE**

### **Responsible Minister**

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

### **Ministerial Directions and Government Policy Orders**

There were no Ministerial directions made or Government Policy Orders issued to the RWTF during the period under review.

### **Significant Non-Compliance Issues with Finance Law.**

There were no significant non-compliance issues that relate to finance law reported to the responsible Minister during the period under review.

### **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 Air Force 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 Air Force 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

The RWTF financial statements are subject to audit by the Australian National Audit Office. The audit report is detailed at pages 19 and 20. No other external reviews were conducted during the reporting period.

## CORPORATE GOVERNANCE

### 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:

- Group Captain G. Pinder - Chair of the Audit Committee (Appointed 18 February 2019);
- Squadron Leader A. Frank- Chair of the Audit Committee (Resigned 18 February 2019)
- Squadron Leader C. Milton - Trustee
- Squadron Leader P. Alomes – Independent member

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 2018 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 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**

### **Appointments**

All members of the Board are appointed by the Minister. The Board comprises serving and ex-serving members of the Air Force whose appointments within the Air Force, 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.

### **Board Member's Attendance at Meetings**

During 2018-2019 the RWTF Board met four times. These meetings were held in Canberra.

<b>Name</b>	<b>Special Responsibilities</b>	<b>Number of Possible Attendances</b>	<b>Number Actually Attended</b>
M. Willis	Chair of Trustees	4	4
R.D. Thompson		4	2
S. McGready		4	3
C. Wallis	Deputy Chair	4	3
G. van Leeuwen		4	4
A.M. Frank		4	3
C. Milton	Audit Committee	4	2
R. Swanwick		4	2

## **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<sup>th</sup> February 2018.

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).

### **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.

In 1982 Principal Air Chaplain Thompson commissioned as a Chaplain, in the Australian Regular Army and assigned to 6 Battalion, Airborne Infantry, in Qld. He transferred to the Air Force 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. From 1997 until 2002 he was the Director General Chaplaincy Services Air Force in Canberra. 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.

Principal Air Chaplain Thompson retired from the RAAF Specialist Reserve in October 2018.

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

### **Air Commodore Sue McGready**

Air Commodore Sue McGready was appointed to the RWTF board on 13<sup>th</sup> August 2018.

Air Commodore McGready hales from Brisbane and joined the Royal Australian Air Force on 16 January 1987, commencing studies at the Australian Defence Force Academy (ADFA). She graduated from ADFA with a Bachelor of Arts in Economics and Management in December 1989 and proceeded on her first posting to No 7 Stores Depot in Toowoomba. As a junior officer, she held the positions of Stock Control and Procurement Officer, Air Movements Officer Richmond, Supply Officer and then Operations Officer at No 1 Operational Support Unit, Supply Officer No 6 Squadron and Escort Officer to the Minister Assisting the Minister for Defence.

Air Commodore McGready was promoted to Squadron Leader in January 2001 and was posted to Air Force Headquarters in Strategic Logistics Policy and the Directorate of Personnel Officers. As a Wing Commander, she served as the Executive Officer Cadets at ADFA, for which she was awarded a Vice Chief of Defence Force Commendation. She was also posted as the Deputy Director Supply Chain Development in Logistics Branch.

In January 2009, Air Commodore McGready was promoted to Group Captain and appointed the Director Supply Capability – Air Force. In January 2012, she was appointed the Commander Defence National Storage and Distribution Centre in Sydney, for which she received a Conspicuous Service Cross in the 2015 Australia Day Honours List. In August 2015, she was promoted to Air Commodore and appointed Director General Estate Service Delivery where she was responsible for all base services across all Australian Defence bases. In January 2018 she was appointed to her current position as Director General Defence Force Recruiting.

As a junior officer, Air Commodore McGready experienced operational service with the United Nations Operation in Somalia (UNOSOMII) as the Staff Officer Air in the Force Joint Movement Co-ordination Centre for which she received a Force Commander's Commendation. She also deployed to Papua New Guinea as part of Operation PLES DRAI in 1998.

Air Commodore McGready is a graduate of the Australian Institute of Company Directors, the Australian Command and Staff College and in addition to her Bachelor of Arts, holds a Graduate Diploma in Management (Defence Studies) and a Graduate Diploma in Management (Project Management). She was elected as a Director of the Logistics Association of Australia for 2011-2013. In 2015, she became a Member of the Royal College of Defence Studies after a year of study in London.

### **Group Captain Catherine Wallis**

Group Captain Catherine Wallis was appointed to the RWTF board on 15<sup>th</sup> June 2013.

Group Captain Wallis commissioned as a Legal Officer through the Undergraduate Scheme, and initially served at 322 Combat Support Wing, RAAF Tindal and Headquarters Combat Support Group, RAAF Amberley. She has served in a range of legal roles including Counsel Assisting the Board of Inquiry into a fatal Sea King crash; and a secondment to the US Army Center for Law and Military Operations in Charlottesville, Virginia, where she was responsible for developing legal lessons learned from operations in Afghanistan and Iraq.

From 2008-2009 Group Captain Wallis worked with the United States Air Force at the Pentagon, Washington DC, for which she was awarded a United States Meritorious Service Medal. From 2012-2016 she was posted to Air Force Headquarters, initially as the legal officer advising the Chief of Air Force and Deputy Chief of Air Force; and later responsible for the promotion of Air Force through special events, community engagement and public relations, as well as the management of incidents, ministerial advice and freedom of information.

From 2017-2018 she served as Commandant RAAF College, responsible for all non-specialist training and education as well as the promotion of Air Force through the RAAF Band. She is currently The Director of Inquiries and Investigations at the Office of the Inspector General Australian Defence Force.

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 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. She is a Legal Practitioner (ACT) and is a Graduate of the Australian Institute of Company Directors.

### **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 and graduated from Australian Defence Force Academy (ADFA) prior to completing his Bachelor of Aerospace Engineering degree at the Royal Melbourne Institute of Technology (RMIT). His early postings were to RAAF Base Richmond, NSW working with Air Force fixed wing transport and Army rotary wing aircraft before moving to Melbourne to taking up an airworthiness regulation (staff) officer role within the Directorate General Technical Airworthiness (DGTA), now known as the Defence Aviation Safety Authority (DASA).

In 1999 he posted back to RAAF Base Richmond as Chief Engineer of the Air Mobility Training and Development Unit (AMTDU) and was promoted to the rank of Squadron Leader in 2000. Before mid-2002 he had operationally deployed to East Timor on three separate occasions in support of aircraft recovery and uncleared load operations, and 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 the 2002 Queens Birthday Honours list.

Between June 2002 and July 2003, GPCAPT van Leeuwen was posted to the USA and attended the National Test Pilot School (NTPS) in Mojave, California following competitive selection for flight test training. He graduated as a 'Distinguished Graduate' with a Master's degree in Flight Test & Evaluation and subsequently enjoyed three consecutive postings, mainly involved in fast jet flight test, within the Aircraft Research and Development Unit (ARDU) at RAAF Base Edinburgh, SA. Highlights included a tour as the Australian Defence Force's (ADFs) Senior Flight Test Engineer and completing a Master's degree in Engineering, majoring in business and engineering management.

GPCAPT van Leeuwen was posted back to the USA in 2007 to the US F-35 Joint Program Office (JPO) and promoted to the rank of Wing Commander in 2008. During that time he was an integral part of the team that issued the initial flight clearances for each of the first flights for all three F-35 variants. His contributions to the JSF Program were acknowledged by the US DoD with the award of a Meritorious Service Medal (MSM). On return to Australia in 2011, he assumed Command of a flight test squadron, namely the Aerospace System Engineering Squadron at RAAF Base Edinburgh, SA. Late in 2013 he was seconded by the Chief of Air Force to Spain to be the KC-30A Test Director, remediating known problems with the aircraft's boom and introducing the KC-30A tanker boom capability into Air Force service.

After completing studies at the Capability Management and Technology College (CTMC) in 2015 and gaining another postgraduate degree, this time in Capability Management, GPCAPT van Leeuwen was promoted to his current rank. Since that time he has been Project Director for Airlift and Tanker Projects and the inaugural Officer Commanding of the (F-35A) Air Combat Systems Program Office at RAAF Base Williamtown, NSW. He has also graduated from the Australian Institute of Company Directors program and sits on a number of Not-For-Profit (NFP) Boards, including as a trustee of the RAAF Welfare Trust Fund. On 15 July 2019 he will be promoted to the rank of Air Commodore and take up position as the Director General, Aerospace Combat Systems in Canberra, ACT.

### **Squadron Leader Allana Frank**

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

Squadron Leader Allana Frank enlisted in the RAAF in 1985 as a Clerk Administrative and, since completing initial employment training has had a number of postings during her career. This included becoming the Warrant Office Senior Mustering Adviser for Personnel Capability Specialists in the A1 Directorate at 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 has been awarded the Australia Day Medallion in 2007 in recognition of her performance at No 3 Hospital and a Deputy Commander Joint Operations silver commendation in 2017 for her work in personnel and welfare.

Squadron Leader Frank was commissioned into the Personnel Capability Officer Specialisation in August 2014, with recent postings to Headquarters Joint Operations Command, Staff Officer - Commander Joint Agency Task Force – Operation Sovereign Borders and currently posted as Staff Officer Personnel 2 in Headquarters Air Warfare Centre.

### **Squadron Leader Claire Milton**

Squadron Leader Claire 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 Williamstown 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 the position in charge of aircraft certification activities. For her contribution to the P8-A Poseidon Acquisition, she was awarded a Defence Support Services Group Commendation.

Squadron Leader Milton transferred to Service Category 3 in April 2019 and is currently employed as a Certification Manager within the C-27J Project Office.

Squadron Leader Milton's qualifications include:

2013 – Advanced Diploma of Air Force Studies

2005 – Bachelor of Engineering with Honours – University of New South Wales

### **Warrant Officer – Air Force Robert Swanwick**

Warrant Officer – Air Force Robert Swanwick was appointed to the RWTF Board on 16 March 2016.

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 Williamstown 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.

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 75<sup>th</sup> 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 Williamstown. Warrant Officer Swanwick was selected as the 8th Warrant Officer of the Air Force in July 2014 and commenced this role on 1 December 2015.

### **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 2018-2019 was \$2,790.70. 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 \$1,182.80.

### ASSISTANCE PROVIDED

#### Loans and Grants

Since its inception in 1947, the RWTF has provided assistance totalling in excess of \$291 million to eligible persons.

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

	2018-2019	2017-2018	2016-2017
Number of Loans Approved	3182	3,306	3,201
Total Value of Loans Approved	\$14,792,100	\$14,588,500	\$13,455,811

The following table shows the analysis of loan funds for the year ended 30 June 2019:

LOAN TYPE	AMOUNT \$	% OF TOTAL LOANS
Home Improvement	552,700	3.74
General (Emergency)	22,000	0.15
Professional Development	26,500	0.18
Long Service General	463,800	3.13
Group Life Insurance	13,727,100	92.80
<b>TOTAL</b>	<b>\$14,792,100</b>	<b>100.00</b>

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 Air Force 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 63.0% of loans approved were directed to the lower paid members of the Air Force (junior ranks up to Corporal).

<b>RANK</b>	<b>NUMBER OF LOANS APPROVED</b>	<b>% OF TOTAL LOANS APPROVED</b>
Aircraftsman(w) / Leading Aircraftsman(w)	1,382	43.40
Corporal	625	19.60
Sergeant	349	11.00
Flight Sergeant	113	3.60
Warrant Officer	64	2.00
Officer Cadet	4	0.10
Pilot / Flying Officer	238	7.50
Flight Lieutenant	274	8.60
Squadron Leader and above	133	4.20
<b>TOTAL</b>	<b>3,182</b>	<b>100.00</b>

### **Bad and Doubtful Debts**

The amount written off for the year was \$13,301. The figure includes \$6,461 in loans written off when members died in Service. On a turnover of loans of \$14,792,100 accounts written-off represented 0.09%.

### **RWTF Group Life Insurance Scheme**

The Trustees administer the scheme for serving permanent Air Force members. Members of the Air Force 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 \$15,000 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.

The scheme had 7808 contributors as at 30 June 2019. Current membership of the scheme represents approximately 54% of permanent RAAF members and, in market terms, represents a very good take up of the scheme by Air Force members. During the period under review the RWTF paid \$60,000 in benefits to the nominated beneficiaries of deceased Air Force members.

### **General Grants**

The RWTF provided \$17,500 in support of five individual members of the Air Force facing unanticipated financial hardship. The grants were in support of costs associated with but not limited to funeral expenses for family members and additional costs resulting from medical conditions such as loss of income or additional transport costs to attend treatment.

### **Townsville Flood Assistance Grants**

The RWTF provided \$34,600 in support of Air Force members as a result of flooding in Townsville. Seventeen grants of \$2,000 were made to Air Force members whose residences were inundated with water. Two grants totalling \$600 were to assist the members' families with restocking food lost during the power outages.

### **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 2018-19 \$145,824 was approved for distribution to bases across Australia, an increase from \$127,437 provided in 2017-18.

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

<b>RAAF Base</b>	<b>Amount \$</b>	<b>Purpose of Grant</b>
Amberley	15,500	Support the Base Christmas Treat function. Safety equipment and life jackets for the Sailing Club. Headset replacement for the Flying Club. Assist the Fishing Club with boat maintenance. Model Aero Club assistance. Outdoor and bbq area improvements. Repairs to Shooting Club equipment.
Butterworth Malaysia	5,000	Wi-Fi upgrade at the Australian Air Force Club Penang.
Cocos Island	500	Base and community event
Darwin	8,500	Support the Base Christmas Treat function. Assist the Fishing Club boat with boat maintenance. Welfare Store purchases including a portable fridge and bbqs.
East Sale	5,800	Support the Base Christmas Treat function. Welfare Store purchases including a portable fridge and bbqs Assist the Fishing Club with boat maintenance. Support for a family day. Outdoor and bbq area improvements.
Edinburgh	17,200	Support the Base Christmas Treat function. Foxtel subscription for the Airmen's' and Other Ranks Mess. Outdoor and bbq area improvements. Assist the Water-ski Club with safety and other equipment. Assist with upkeep of fencing at Base Welfare holiday shacks.
Glenbrook	7,000	Support for outdoor cinema event. Hiking tents and first aid kits for Base Welfare. Wi-Fi network and other equipment for the Officers Mess.
Pearce	13,098	Support the Base Christmas Treat function. Equipment for Learmonth community centre. Audio visual equipment for common area mess. Chaplain and play group area refurbishment.
Richmond	22,000	Support the Base Christmas Treat function. Create a family room at the Officers' Mess Assistance towards a carport for the Fishing Club. Assistance towards a glider purchase.
Tindal	13,156	Support the Base Christmas Treat function. Furniture for the Junior Ranks' Club.
Wagga	12,720	Support the Base Christmas Treat function. Assist with Base benefit activities. Foxtel subscription for the Airmen's Club. Purchase of a pool table for the Airmen's Club.
Williams	7,500	Support the Base Christmas Treat function. Support for the Golf Club during club house relocation.
Williamtown	14,850	Assist the Flying Club with equipment purchases. Support for a family day. Assist the Car and Hobby club to purchase storage containers. .
Woomera	3,000	Support movie nights.
<b>TOTAL</b>	<b>\$145,824</b>	

In the 7 years since the inception of the Base Welfare Grants Scheme a total of \$640,746 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). The following activities met the alcohol diversionary requirements and received endorsement by the RWTF Board. DGCHAP-AF approved the distribution of over \$50,000 from Hamilton Initiative funding for the following projects:

<b>RAAF Base</b>	<b>Amount \$</b>	<b>Purpose of Funding</b>
Amberley	8,600	Touch Football Club representative shirts. Unit PT Equipment purchases. Assistance towards Scuba Club purchases.
Darwin	250	Bluetooth speaker for Base Welfare activities.
East Sale	9,342	Outdoor display enclosures for the Base cinema. Support for East Sale Family Group.
Edinburgh	1,500	Touch Football referee uniforms and equipment.
Glenbrook	8,450	Family passes to Sydney Attractions. Support for monthly fitness sessions. Purchase of mountain bikes for Base Welfare.
Middle East Area of Operations	4,000	Charity run support.
Pearce	1,800	Base fun run support. Garden beds for Learmonth.
Richmond	4,000	Base outdoor pool area upgrade.
Wagga	8,610	Purchase of ski equipment for the Base Welfare store. Purchase of electronic equipment for the Community House. Support for 1 Recruit Training unit community events.
Williamstown	4,444	Canteen Equipment for the Williamstown Soccer Club. Electronic equipment for the Defence Family Group.
<b>TOTAL</b>	<b>\$50,996</b>	



## APPRECIATION

### Acknowledgement

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 Air Force 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 (GPCAPT) G. Hooper  
 Chaplain (GPCAPT) N. Williams  
 Chaplain (WGDCR) G. Whelband  
 Chaplain (WGCDR) L. Carey  
 Chaplain (SQNLDR) C. Boettcher  
 Chaplain (SQNLDR) W. Ross  
 Chaplain (FLTTLT) J. Friedman  
 Chaplain (FLTTLT) N. Coleman  
 SQNLDR P. Alomes  
 Mr K. Pepper  
 Mrs D. Perry  
 Mrs A. Ticehurst

#### Butterworth Malaysia

Chaplain (SQNLDR) M. Reid

#### Amberley QLD

Chaplain (WGCDR) A. Williams  
 Chaplain (WGCDR) M. Donaldson  
 Chaplain (WGCDR) R. Paget  
 Chaplain (SQNLDR) S. Turnbull  
 Chaplain (SQNLDR) A. Robertson  
 Chaplain (SQNLDR) R. Hensser  
 Chaplain (SQNLDR) D. Quilty  
 Chaplain (SQNLDR) K. O'Sullivan  
 Chaplain (FLTTLT) M. Boyd  
 Chaplain (FLTTLT) A. Shumack  
 Chaplain (FLTTLT) M. Philp  
 Chaplain (FLTTLT) D. Bigg  
 Chaplain (FLTTLT) G. Smith

#### Townsville QLD

Chaplain (FLTTLT) D. Kelly  
 Chaplain (FLTTLT) K. Schulz  
 CPL N. Eagles

#### Glenbrook NSW

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

#### Orchard Hills NSW

Chaplain (SQNLDR) R. Bailey

#### Richmond NSW

Chaplain (SQNLDR) T. White  
 Chaplain (FLTTLT) K. Ey  
 Chaplain (FLTTLT) A. Stanfield  
 Chaplain (FLTTLT) S. Fechner  
 Chaplain (FLTTLT) G. Thamal  
 Chaplain (FLTTLT) A. Nalbandian

#### Tamworth NSW

Chaplain (FLTTLT) S. Carter

#### Wagga NSW

Chaplain (WGCDR) J. Carroll  
 Chaplain (FLTTLT) J. McWhinney  
 Chaplain (FLTTLT) C. Buckley-Wiltshire

#### Williamtown NSW

Chaplain (WGCDR) J. Cox  
 Chaplain (SQNLDR) M. Fraser  
 Chaplain (FLTTLT) S. Asquith  
 Chaplain (FLTTLT) K. Haynes  
 Chaplain (FLTTLT) R. Abboud  
 Chaplain (FLTTLT) M. Teggart  
 CPL S. McConnell  
 LACW N. Maher

#### East Sale VIC

Chaplain (SQNLDR) M. Kleemann  
 Chaplain (SQNLDR) D. Hilliard  
 Chaplain (SQNLDR) R. Hayman  
 Chaplain (FLTTLT) N. de Silva

#### Williams VIC

Chaplain (SQNLDR) P. Owen  
 Chaplain (FLTTLT) D. Enticott  
 Chaplain (FLTTLT) A. Mapleback  
 Chaplain (FLTTLT) J. Ward

#### Edinburgh SA

Chaplain (WGCDR) C. Barwise  
 Chaplain (SQNLDR) T. Hodgson  
 Chaplain (SQNLDR) R. Kidd  
 Chaplain (SQNLDR) M. Butler  
 Chaplain (SQNLDR) P. Garton  
 Chaplain (FLTTLT) S. Page  
 Chaplain (FLTTLT) K. Thoday  
 Chaplain (FLTTLT) P. Boyle  
 Chaplain (FLTTLT) H. Lee

#### Darwin NT

Chaplain (SQNLDR) C. Senini  
 Chaplain (FLTTLT) R. Weekes

#### Tindal NT

Chaplain (SQNLDR) A. Knox  
 Chaplain (FLTTLT) M. Herps

#### Pearce WA

Chaplain (SQNLDR) D. Griffiths  
 Chaplain (SQNLDR) T. Killingbeck  
 Chaplain (SQNLDR) A. Morris  
 Chaplain (FLTTLT) P. Russell

**CONCLUSION****Report of Operations**

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

26 August 2019



**G PINDER**  
Group Captain  
Chair Audit Committee

26 August 2019



## 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 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 2019 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 2019 and for the year then ended:

- Statement by the Trustees and Fund Secretary;
- 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 2019 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**

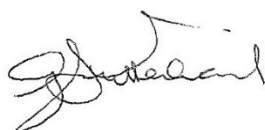
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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  
26 August 2019

**STATEMENT BY TRUSTEES AND FUND SECRETARY****Trustee Statement**

In our opinion, the attached financial statements for the year ended 30 June 2019 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

26 August 2019



**S McGready**  
Air Commodore  
Trustee

26 August 2019



**K PEPPER**

Secretary to the Trustees

26 August 2019

**ROYAL AUSTRALIAN AIR FORCE WELFARE TRUST FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee Benefits	1.1A	210,270	214,518
Suppliers	1.1B	214,845	188,111
Grants	1.1C	197,924	137,622
Write-down and Impairment of Assets	1.1D	(20,468)	24,612
Losses from loan re-measurement	1.1E	1,070,498	1,054,618
Depreciation and Amortisation	1.1F	1,485	1,485
<b>Total expenses</b>		<b>1,674,554</b>	<b>1,620,966</b>
 <b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of Goods and Rendering of Services	1.2A	248,717	226,883
Fees - Fund maintenance contribution	1.2B	538,223	530,828
Interest	1.2C	1,127,180	1,064,539
<b>Total own-source revenue</b>		<b>1,914,120</b>	<b>1,822,250</b>
<b>Total own-source income</b>		<b>1,914,120</b>	<b>1,822,250</b>
<b>Surplus</b>		<b>239,566</b>	<b>201,284</b>
<b>Total Comprehensive income</b>		<b>239,566</b>	<b>201,284</b>

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 2019**

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and Cash Equivalents	2.1A	2,972,905	2,853,717
Loans and Other Receivables	2.1B	8,527,917	8,393,497
<b>Total financial assets</b>		<b>11,500,822</b>	<b>11,247,214</b>
<b>Non-financial assets</b>			
Intangibles	2.2A	-	1,485
<b>Total non-financial assets</b>		<b>-</b>	<b>1,485</b>
<b>Total assets</b>		<b>11,500,822</b>	<b>11,248,699</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Other payables	2.3A	21,824	17,295
<b>Total payables</b>		<b>21,824</b>	<b>17,295</b>
<b>Provisions</b>			
Employee Provisions	3.1A	27,993	19,965
<b>Total provisions</b>		<b>27,993</b>	<b>19,965</b>
<b>Total liabilities</b>		<b>49,817</b>	<b>37,260</b>
<b>Net assets</b>		<b>11,451,005</b>	<b>11,211,439</b>
<b>EQUITY</b>			
Retained surplus		11,451,005	11,211,439
<b>Total equity</b>		<b>11,451,005</b>	<b>11,211,439</b>

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 2019**

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	Notes	2019 \$	2018 \$
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period		11,211,439	11,010,155
<b>Adjusted opening balance</b>		<u>11,211,439</u>	<u>11,010,155</u>
<b>Comprehensive income</b>			
Surplus		239,566	201,284
<b>Total comprehensive income</b>		<u>239,566</u>	<u>201,284</u>
<b>Closing balance as at 30 June</b>		<u>11,451,005</u>	<u>11,211,439</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 2019**

	Notes	2019 \$	2018 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Loan repayments from members		13,910,248	13,188,995
Interest		1,128,627	1,061,047
Member premiums – Group Life Insurance		217,132	216,448
Group Life claims		45,000	105,000
Donations		31,535	9,266
Debt collection charges recovered		-	784
Other receipts		800	2,138
<b>Total cash received</b>		<b>15,333,342</b>	<b>14,583,678</b>
<b>Cash used</b>			
Loans provided to members		14,558,673	14,379,291
Employees		202,202	261,806
Grants		197,924	143,622
Underwriting - Group Life Insurance		158,679	158,545
Group Life claims		60,000	90,000
Direct Debit administration fees		12,688	12,046
Audit fees		14,300	14,300
Insurances		3,974	4,006
Web-site administration and software		1,650	1,670
Debt collection charges		-	293
Other payments		4,064	2,835
<b>Total cash used</b>		<b>15,214,154</b>	<b>15,068,414</b>
<b>Net cash from (used by) operating activities</b>		<b>119,188</b>	<b>(484,736)</b>
<b>Net increase/(decrease) in cash held</b>		<b>119,188</b>	<b>(484,736)</b>
Cash and cash equivalents at the beginning of the reporting period		2,853,717	3,338,453
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>2,972,905</b>	<b>2,853,717</b>

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); 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.

#### Environmental Performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) requires Commonwealth agencies accord with and contribute to ecologically sustainable development. The RWTF administration resides within Department of Defence office space and as such has no quantitative data, but commits to Department of Defence initiatives and minimising paper usage through increased use of new technologies.

## FINANCIAL PERFORMANCE

This section analyses the financial performance of the RWTF for the year ended 2019.

### 1.1 Expenses

	2019	2018
	\$	\$
<b><u>1.1A: Employee Benefits</u></b>		
Wages and salaries	165,743	167,650
Superannuation	37,488	33,681
Leave and other entitlements	7,039	13,187
<b>Total employee benefits</b>	<b>210,270</b>	<b>214,518</b>

#### **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	34,540	8,833
Insurances	3,974	4,006
Miscellaneous Expenses	3,314	2,718
Direct Debit Administration Fees	12,688	12,046
Group Life Insurance Underwriting	158,679	158,545
Web-Site and Software Fees	1,650	1,670
Debt Collection Fees	-	293
<b>Total goods and services supplied or rendered</b>	<b>214,845</b>	<b>188,111</b>
<b>Total suppliers</b>	<b>214,845</b>	<b>188,111</b>

### **1.1C: Grants**

General and Disaster Relief Grants	52,100	10,185
Base Welfare Grants Scheme	145,824	127,437
<b>Total grants</b>	<b>197,924</b>	<b>137,622</b>

### **1.1D: Impairment Loss Allowance on Financial Instruments**

Impairment on loans	(20,468)	24,612
<b>Total impairment on financial instruments</b>	<b>(20,468)</b>	<b>24,612</b>

### **1.1E: Losses from Loan Re-measurement**

Loss from initial recognition of loans and receivables at fair value (refer Note 6.3)	1,070,498	1,054,618
<b>Total losses from loan re-measurement</b>	<b>1,070,498</b>	<b>1,054,618</b>

### **1.1F: Depreciation and Amortisation**

Amortisation		
Intangibles – Database	1,485	1,485
<b>Total write-down and impairment of other assets</b>	<b>1,485</b>	<b>1,485</b>

#### **Accounting Policy**

##### **Competitive 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.

## 1.2 Own-Source Revenue and gains

### Own-Source Revenue

	2019	2018
	\$	\$
<b><u>1.2A: Sale of Goods and Rendering of Services</u></b>		
Member contributions for Group Life Insurance	217,132	216,448
Donations received	31,535	9,266
Collection on-costs recovered	-	902
Miscellaneous income	50	267
<b>Total Sale of Goods and Rendering of Services</b>	<b>248,717</b>	<b>226,883</b>

#### Accounting Policy

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- 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.

	2019	2018
	\$	\$
<b><u>1.2B: Fees and fines</u></b>		
Member contributions on loans	538,223	530,828
<b>Total fees and fines</b>	<b>538,223</b>	<b>530,828</b>
<b><u>1.2C: Interest</u></b>		
Bank interest	54,505	62,946
Loan interest (refer Note 6.3)	1,072,675	1,001,593
<b>Total interest</b>	<b>1,127,180</b>	<b>1,064,539</b>

#### 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

	2019	2018
	\$	\$
<b><u>2.1A: Cash and Cash Equivalents</u></b>		
Cash on deposit	972,905	553,717
Cash on deposit - investments	2,000,000	2,300,000
<b>Total cash and cash equivalents</b>	<b>2,972,905</b>	<b>2,853,717</b>

#### 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.

	2019	2018
	\$	\$
<b><u>2.1B: Loans and Other Receivables</u></b>		
Members loans outstanding (refer Note 6.3)	8,541,316	8,439,217
Bank interest accrued	6,601	8,049
<b>Total loans and other receivables (gross)</b>	<b>8,547,917</b>	<b>8,447,266</b>
<b>Less impairment allowance</b>		
Loans	(20,000)	(53,769)
<b>Total loans and other receivables (net)</b>	<b>8,527,917</b>	<b>8,393,497</b>

#### Accounting Policy

##### *Financial Assets*

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

#### Reconciliation of the Impairment Allowance

##### Movements in relation to 2019

	Loans	Total
	2019	2019
	\$	\$
<b>As at 1 July 2018</b>	<b>53,769</b>	<b>53,769</b>
Bad debts written off	(13,301)	(13,301)
Amounts recovered and reversed	-	-
Decrease recognised in surplus	(20,468)	(20,468)
<b>Total as at 30 June 2019</b>	<b>20,000</b>	<b>20,000</b>

## Movements in relation to 2018

	Loans 2018 \$	Total 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
As at 30 June 2018	53,769	53,769

**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 2019**

	Computer software Externally developed 2019 \$	Total 2019 \$
<b>As at 1 July 2018</b>		
Gross book value	5,940	5,940
Accumulated amortisation and impairment	(4,455)	(4,455)
<b>Total as at 1 July 2018</b>	<b>1,485</b>	<b>1,485</b>
Amortisation	1,485	1,485
<b>Total as at 30 June 2019</b>	<b>-</b>	<b>-</b>
<b>Total as at 30 June 2019 represented by</b>		
Gross book value	5,940	5,940
Accumulated amortisation and impairment	(5,940)	(5,940)
<b>Total as at 30 June 2019</b>	<b>-</b>	<b>-</b>

**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 2019.

## 2.3 Payables

	2019	2018
	\$	\$
<b>2.3A: Other Payables</b>		
Salaries and wages	1,228	1,304
Superannuation	356	241
Other	20,240	15,750
<b>Total other payables</b>	<b>21,824</b>	<b>17,295</b>

### 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

	2019	2018
	\$	\$
<b>3.1A: Employee Provisions</b>		
Leave	27,993	19,965
<b>Total employee provisions</b>	<b>27,993</b>	<b>19,965</b>

### 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. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Superannuation

The RWTF makes employer contributions to the employees' personal superannuation schemes at the rate of 15.4%. Contributions during the period 1 July 2018 to 30 June 2019 are detailed at Note 1.1A. Note 1.1A also includes employee salary sacrifice contributions.

The liability for superannuation recognised as at 30 June 19 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. 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 2019 to the date of the Report of Operations.

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)

Air Commodore **S. McGREADY**  
(Appointed 13 Aug 2018)

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; and
- 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.

### 3.4 Employees

The table below identifies the breakdown of the 2 RWTF employees.

		<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Employment status</b>		<b>Fulltime</b>	<b>Fulltime</b>	
<b>30 June 2019</b>	Location - ACT	1	1	2
<b>30 June 2018</b>	Location - ACT	1	1	2



## 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

	2019	2018
	\$	\$

#### 5.1A: Categories of Financial Instruments

##### Financial Assets under AASB 139

##### Loans and receivables

Cash and cash equivalents		2,853,717
Loans and other receivables		8,393,497
<b>Total loans and receivables</b>		11,247,214

##### Financial Assets under AASB 9

##### Financial assets at amortised cost

Cash and cash equivalents	2,972,905	
Loans	8,527,917	
<b>Total financial assets at amortised cost</b>	11,500,822	
<b>Total financial assets</b>	11,500,822	11,247,214

##### Financial Liabilities

##### Financial liabilities measured at amortised cost

Other payables	20,240	15,750
<b>Total financial liabilities measured at amortised cost</b>	20,240	15,750
<b>Total financial liabilities</b>	20,240	15,750

#### Accounting Policy

##### Financial assets

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the RWTF classifies its financial assets in the following category:

- a. financial instruments measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or receive a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

##### Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and

2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

**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.

Financial Liabilities at Amortised Cost

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).

	2019 \$	2018 \$
<b><u>5.1B: Net Gains and or Losses on Financial Assets</u></b>		
<b>Financial assets at amortised cost</b>		
<b>Cash and cash equivalents</b>		
Bank Interest revenue	54,505	62,946
<b>Net gain from cash and cash equivalents</b>	<b>54,505</b>	<b>62,946</b>
<b>Loans and receivables</b>		
Members contributions on loans	538,223	530,828
Loan Interest revenue	1,072,675	1,001,593
Impairment reversal	20,468	-
Loss on initial recognition of loans and receivables at fair value	(1,070,498)	(1,054,618)
<b>Net gains from loans and receivables</b>	<b>560,868</b>	<b>477,803</b>
<b>Net gains on financial assets at amortised cost</b>	<b>615,373</b>	<b>540,749</b>

**Classification of financial assets on the date of initial application of AASB 9.**

<b>Financial assets class</b>	<b>Note</b>	<b>AASB 139 original classification</b>	<b>AASB 9 new classification</b>	<b>AASB 139 carrying amount at 1 July 2018 \$</b>	<b>AASB 9 carrying amount at 1 July 2018 \$</b>
Cash and Cash Equivalents		Held-to-maturity	Amortised Cost	2,853,717	2,853,717
Loans and receivables		Amortised Cost	Amortised Cost	8,393,497	8,393,497
<b>Total financial assets</b>				<b>11,247,214</b>	<b>11,247,214</b>

**Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9.**

	<b>AASB 139 carrying amount at 30 June 2018 \$</b>	<b>Reclassific- ation \$</b>	<b>Remeasure- ment \$</b>	<b>AASB 9 carrying amount at 1 July 2018 \$</b>
<b>Financial assets at amortised cost</b>				
Cash and Cash Equivalents	2,853,717	-	-	2,853,717
Loans and receivables	8,393,497	-	-	8,393,497
<b>Total amortised cost</b>	<b>11,247,214</b>			<b>11,247,214</b>

**OTHER INFORMATION**
**6.1 Aggregate Assets and Liabilities**
**6.1A: Aggregate Assets and Liabilities**

	<b>2019 \$</b>	<b>2018 \$</b>
<b>Loans and receivables expected to be recovered in:</b>		
No more than 12 months	7,868,932	7,720,173
More than 12 months	658,985	673,380
<b>Total loans and receivables</b>	<b>8,527,917</b>	<b>8,393,497</b>
<b>Liabilities expected to be settled in:</b>		
No more than 12 months	20,240	15,750
More than 12 months	-	-
<b>Total liabilities</b>	<b>20,240</b>	<b>15,750</b>

**6.2 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.

### **6.3 Losses from Loan Re-Measurement and Loan Interest**

In accordance with AASB 9, the decision to provide a loan at no interest 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 9 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.

### **6.4 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 Air Force 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.

### **6.5 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.

## 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 2018 – 2019 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 2018 -2019, enabled the Fund to meet objectives.

Activity	Performance Monitoring and Measurement	Analysis
<b>Low cost loans</b>		
<b>Objective:</b> Make low cost loans available to eligible persons <b>Results:</b> The Fund provided 3182 loans to Air Force members totalling \$14,792,100.	<ol style="list-style-type: none"> <li>1. Compare current year financial data sets against previous year data sets and against cash flow forecasts.</li> <li>2. Review loan achievement compared with desired focus on lower-paid personnel.</li> <li>3. Review maintenance of real value of loans.</li> </ol>	<ol style="list-style-type: none"> <li>1. \$14,792,100 was loaned to Air Force members compared with \$14,588,500 in the previous year. Loans issued were above reported resourcing forecasts but did not adversely impact on cash reserves.</li> <li>2. Loans paid to lower-paid personnel represented 63% of all loans.</li> <li>3. The maximum value of the loan available to service personnel increased to \$5,000 from \$4,500 in January 2018.</li> </ol>
<b>Grants to Individuals</b>		
<b>Objective:</b> Make grants available to serving and ex-serving personnel who are suffering from financial hardship or from the effects of natural disaster. <b>Results:</b> Five requests for support were approved. Floods in Townsville resulted in receipt of requests for emergency assistance from 19 serving Air Force members.	<ol style="list-style-type: none"> <li>1. Review instances of support provided against requests for support received.</li> <li>2. Review overall impact of grants to individuals on financial operations.</li> </ol>	<ol style="list-style-type: none"> <li>1. Five hardship requests in support of serving members or their families were approved totalling \$17,500.</li> <li>2. All nineteen individual requests totalling \$34,600 were approved and paid as a result of the Townsville Floods.</li> </ol>

		3. These requests (\$52,100) although significant, had no real impact on financial operations during the reporting period.
<b>Grants to Bases</b>		
<p><b>Objective:</b> Provide grants to RAAF Bases for welfare related projects.</p> <p><b>Results:</b> The sum of \$145,824 was approved and distributed among RAAF Bases for welfare related projects.</p>	<ol style="list-style-type: none"> <li>1. Ensure expenditure within limits set by Board.</li> <li>2. Review financial achievement and amenity improvement on bases receiving grants.</li> <li>3. Review overall impact of grants to Bases on financial operations.</li> </ol>	<ol style="list-style-type: none"> <li>1. Grants to Bases were approved by the Board. The Board increased the maximum amount available to \$150,000 due to the strong financial position of the Fund.</li> <li>2. The grants provided to Bases covered a wide range of welfare related activities and are expected to have a significant positive affect on the welfare and amenity of Air Force members and their families.</li> <li>3. Previous funding under the scheme must be acquitted before current grants are paid.</li> <li>4. After grant payments the Fund realised a surplus of income over expenditure in excess of \$250,000. This surplus is sufficient to cover expected expenses and provide growth for the Fund.</li> </ol>
<b>Group Life Insurance Scheme</b>		
<p><b>Objective:</b> Provide permanent serving Air Force members with the opportunity to participate in a low cost insurance scheme.</p> <p><b>Results:</b> 7808 permanent Air Force members were participating in the scheme as at 30 June 19. Membership remained steady with a slight decrease from 7811 from the end of the previous financial year.</p>	<ol style="list-style-type: none"> <li>1. Review achievement of membership target with an aim to maintain more than 50% and increase to more than 55% of Air Force personnel.</li> <li>2. Review maintenance of real value of loans.</li> <li>3. Review contractor performance in administering membership of the scheme.</li> </ol>	<ol style="list-style-type: none"> <li>1. Based on a permanent Air Force workforce of approximately 14,370 personnel the participation rate achieved was 54%.</li> <li>2. Contractor (Ezidebit) provided an appropriate means of managing and collecting member contributions.</li> <li>3. 4 payments of \$15,000 were made to beneficiaries of deceased personnel during the reporting period.</li> </ol>