CORPORATE PLAN FOR THE ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND 2025/2026

INTRODUCTION

1. We the Trustees, as the accountable authority of the Royal Australian Navy Relief Trust Fund (the Fund) present the Financial Year 2025/2026 Royal Australian Navy Relief Trust Fund Corporate Plan for the period 2025/2026 to 2028/2029 (the Plan), as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* (Cth). The Plan is prepared in accordance with the *Public Governance, Performance and Accountability Rules 2014* (Cth).

2. The Trustees administer the Fund to assist current and former members of the Australian Defence Force (ADF) who have served in, or in association with, the Royal Australian Navy (RAN) and their dependants of such members (eligible persons). The Fund seeks to use available assets to deliver significant value to eligible persons.

3. The Trustees are appointed by the responsible Minister, generally for a period of up to seven years. Current Trustees are listed in the Fund's Annual Report.

4. This Plan outlines the key purposes of the Fund, establishes measures of performance to achieve the purposes and assesses the environment in which the Fund operates.

PURPOSES OF THE ROYAL AUSTRALIAN NAVY RELIEF TRUST FUND

5. The two avenues by which the Fund provides support include the use of the assets held by the Fund and the assets held within the *Keeping Watch* Program. The Fund focuses on the provision of interest free loans and grants to a range of eligible persons. The *Keeping Watch* program delivers grants to current serving members. The specific purpose of each area is covered below.

Royal Australian Navy Relief Trust Fund

6. The Royal Australian Navy Relief Trust Fund, subject to and in accordance with *Services Trust Funds Act 1947* (Cth), applies the Fund to provide benefits for members of the ADF who have served in, or in association with, the RAN and to the dependants of such members. Subject to availability of funding, the Fund provides the following benefits:

a. *General Purpose Loans* – interest free loans of up to $10,000 for current serving members for any purpose that assists the personal welfare or benefit of these personnel and their dependants within certain guidelines.

b. *Trainee General Purpose Loans* – interest free loans of up to $3,000 for personnel under initial training for any purpose that assists the personal welfare or benefit of these personnel and their dependants within certain guidelines.

c. *Special Purpose Loans* – an interest free loan of up to $6,000 may be considered on a case-by-case basis for issues impacting on current serving members and their dependants that fall outside of the General Purpose Loan provisions.[1] Some examples include unexpected domestic debts, financial hardship or compassionate needs.

d. *Christmas Loans* – an interest free loan to current serving members of up to $2,500 for the purpose of assisting with costs associated with the end of year holiday period.

e. *Benevolent Grants* – on occasion, the Trustees provide grants where an eligible person or their dependants are experiencing a significant event such as life threatening illness, bereavement or other exceptional circumstances.

Keeping Watch

7. The *Keeping Watch* program operates under the governance of the RANRTF for the purpose of providing for the comfort and welfare of a person who is currently appointed or enlisted as a Permanent or Reserve member of the RAN. The Fund has received Deductible Gift Recipient status for the *Keeping Watch* program and all gifts and deductible contributions received by the *Keeping Watch* program are only used for the purposes of the *Keeping Watch* program.

8. The Trustees have determined that, at this time, gifts and deductible contributions received by the *Keeping Watch* program will be used to provide a grant, subject to available funding, of up to $5,000 (unless exceptional circumstances exist), predominantly for the welfare of a person who is currently appointed or enlisted as a Permanent or Reserve member of the RAN.

OPERATIONAL ENVIRONMENT

9. The Fund is a statutory independent body created by the *Services Trust Funds Act 1947* (Cth). The Fund reports to, and the Trustees are appointed by, the responsible Minister. The Fund is a separate legal entity to the Commonwealth, the Department of Defence (DoD), the ADF and the RAN. As such, the Trustees have complete discretion over the distribution of funds in accordance with the *Services Trust Funds Act 1947* (Cth). This affords the Trustees and the associated Fund sufficient flexibility to deliver against the stated purposes of the Fund.

[1] At Trustees discretion, this amount may be increased in exceptional circumstances.

10. Although the Fund is part of the Defence Portfolio, the Fund is for the most part self-funding and does not receive funding from a budget appropriation, nor cash funding from the DoD. The main sources of income for the Fund are donations (including grants from The Navy's Anchorage), administration fees, and interest accrued from investments. Income is required to accrue sufficient reserves to provide loans and grants of approximately $6.5 million per year. The Fund's main operating costs are associated with accounting, administration, insurance, audit and other miscellaneous operating expenses. The Fund relies on support from the DoD through the provision of office space, personnel, and information technology to conduct its activities.

11. Currently all Trustees and staff supporting the Fund are serving members of the RAN or Defence Australian Public Servants (APS) who understand and actively support Defence culture and the operations of Defence. Furthermore, they are subject to the expectations and regulations inherent with operating in the Defence environment such as Defence Values, records management, work health and safety requirements, and security protocols. These factors, especially the need to ensure compliance with broader Defence protocols and requirements, ensure that the Fund, the Trustees and its support staff operate in a well regulated and values-based decision making environment.

12. The Fund operates in a restricted market sector with products and services only available to ADF members who have served in, or in association with, the RAN and to the dependants of such members.

DONATIONS AND SPONSORSHIP

13. The primary form of income to the RANRTF is in the form of grants from the RAN Central Canteens Board (RANCCB), generated through the Navy's Anchorage sales. In 2021 RANCCB commenced trading as *The Navy's Anchorage* under the PGPA. Supplementary income to cover basic administrative costs is generated through loan administrative fees.[2]

14. Additional funds for the *Keeping Watch* charity are received through donations from individuals, organisations, and companies. Donations are welcomed which both align with, and support the Fund's mission, and are provided with no obligations of expectations or reciprocity.

15. Where there is any doubt regarding the motives or potential for reputational impact, the donation is to be brought to the attention of the Trustees for consideration. The Trustees reserve the right to refuse a donation where it is considered inappropriate, or could potentially impact the reputation of the RANRTF, The Navy's Anchorage, and/or Navy.

16. Accepted donations are to be appropriately acknowledged. Acknowledgements may be via letter, certificate, and/or presentation.

[2] This is an administrative fee of $40 applied to all General Purpose and $20 to Trainee and Christmas loans. Special loans by their nature and purpose do not attract an administrative fee.

17. The Fund distinguishes philanthropic donations from sponsorship arrangements. Sponsorship is an arrangement where a sponsor provides a contribution in money, or in-kind, to support an activity in return for certain specified benefits, such as advertising. With the exception of the The Navy's Anchorage, the RANRTF will seek to maintain an independent status, and not engage in formal sponsorship arrangements. Any requests for formal sponsorship arrangements or major relationships may nevertheless be considered by the Trustees, noting the above considerations.

PERFORMANCE AND MEASUREMENT

18. **Intended results and how those intended results will be achieved by the Fund Performance.** The intended results of the Fund are to provide benefits to eligible persons in a timely, relevant, and meaningful manner through the various types of loans and grants available with both the Fund and the Keeping Watch program.

19. **Measurement of Fund achievements.** Evaluation of performance encompasses both quantitative and qualitative measures assessing the timely, relevant and meaningful performance of the Fund. Assessment will consider the timely payment of loans and grants through comparing average time for payment of grants and loans against expected payment timeframes. Assessment of the relevance and meaningfulness of Fund benefits will be conducted through surveys of and individual interviews with fund recipients, Commanding Officers, Personnel Officers and others who are involved in managing and/or administering recipients of Fund benefits. The fund also reviews existing loan data to identify trends and/or themes of loan uptake and product use to ensure it remains fit for purpose.

CAPABILITY

20. **Asset Management Strategy**. The assets available to achieve the Fund's purpose are cash based and the Trustees maintain cash reserves in order to support the Fund's business cycle. Surplus funds are regularly deposited in a high interest account and are returned to the working account as required to meet loan and grant commitments. The Fund's cash reserve is generally at its lowest following payment of the Christmas Loans in early December of each year. The Christmas Loan amount is set according to the cash remaining in the Fund at this time, accounting for the expected General Purpose and Special Loans over the Christmas period. Christmas Loan repayments occur between February and June each year, with the Fund at its maximum cash reserve at the end of the financial year. This business cycle is closely monitored by the Trustees to maximise the availability of loans while retaining sufficient cash reserves for anticipated requirements.

21. **Support and other Resources.** The Fund is provided with office space, personnel, information technology and other support from the RAN and the DoD to enable the operations of the Fund. In addition, all of the Trustees are volunteers and are currently serving members of the RAN. As such, the capability of the Fund to fulfil its purpose is highly dependent on the ongoing support of the RAN and the DoD. Accordingly, the Trustees seek to work closely with the senior leadership of the RAN and the DoD to demonstrate the ongoing advantages of the

Fund in supporting Navy and Defence activities through assisting members of the ADF who have served in, or in association with, the RAN and to the dependants of such members.

22. **Systems.** The ability to efficiently and safely manage the lending workflow and associated transactions is enabled by the Loan Application & Management Service (LAMS) application hosted on the Defence Network. As LAMS approaches the requirement for a technical upgrade, the Trustees have made provision for additional support costs, whilst continuing to explore options that will provide for the longterm sustainability of the enabling system.

RISK OVERSIGHT AND MANAGEMENT

23. The Trustees have developed and continually review the *Fund's Risk Management and Fraud Control Policy* with the more detailed *Risk Management Plan* and *Accountability Authority Instructions.* These documents provide a structured approach to the identification, analysis treatment, monitoring and review of risk with the intent of embedding risk management and reduction strategies into the Fund's administrative process.

24. The Trustees continue to closely monitoring the changing market conditions, post the COVID-19 Pandemic. The Trustees note that changes to market conditions may see effects on donations, as well as demand for services.

25. The key points of the Trustees approach to managing risk are that:

a. Trustees have a low appetite for risks relating to health, safety and wellbeing of the Trustees and staff, management of personal information, administration of finances and assets, and legislative compliance

b. Trustees have a medium appetite for risk where benefits created by potential innovation outweigh the risks in other areas of the Fund's operations particularly where the innovation will result in improved service delivery, and/or increased efficiency and effectiveness of the Fund's operations

c. Trustees take a very active role in the conduct, or review, of the day-to-day operations of the Fund, and review the weekly Operations Brief to ensure the Fund is operating within any financial limitations

d. Trustees and staff as RAN members or Defence APS operate within the Defence environment which has a culture of expecting high standards with respect to the management of assets, the performance and behaviour of those who manage those assets and provides continued training and education on the management of assets.

26. The Trustees comply with the *Commonwealth Risk Management Policy* and *Commonwealth Fraud and Corruption Control Framework* under the *PGPA Act* as applicable to the Fund's activities.

OTHER MATTERS

27. This Corporate Plan has been endorsed by the Trustees of the Fund.

Digitally signed by Shane GLASSOCK
Date: 2025.07.06 16:13:54 +10'00'

SL Glassock, CSC
Commodore, RAN
Chair
Royal Australian Navy Relief Trust Fund

6 Jul 25